

FINANCIAL TIMES

No.30,605

Tuesday August 2 1988

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MEXICO VOTE

Still everything left to play for

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World News

Carlucci urges switch in Soviet arms policy

The US would welcome "constructive change" in Soviet defence policy...

Kohl charge refused

West German prosecutors turned down a request by the radical Green party...

Afghan POW offer

Afghan guerrilla leaders said yesterday that they would release two Soviet prisoners...

NZ crisis meeting

New Zealand's Labour Party Government, faced with a growing crisis over plans to sell the country's leading bank...

Nova Scotia poll

After months of speculation, Mr John Buchanan, the longest-serving provincial premier in Canada...

Soweto snappings

The conflict-ridden South Africa's biggest black township, Soweto, sacked 3,000 workers who failed to honour an agreement to return after a nine-day strike...

Rebels enter Sudan

Chad rebels confirmed that 2,000 of his guerrillas had crossed into western Sudan from Libya but stressed their intentions were peaceful...

Indian bribery probe

The Indian Government is investigating bribery allegations involving Japan's Sumitomo Corporation and associates of Premier Rajiv Gandhi...

Operto bus crash

At least 10 people died and 40 were injured when a packed bus carrying building workers crashed on a motorway near Operto, northern Portugal...

Business Summary

Tokyo SE to launch Sankyo Seiki dealing probe

JAPAN: The Ministry of Finance is to launch the country's first insider trading investigation since the passage in May of a tough new regulatory code...

Copper

COPPER: Copper prices fell through chart support levels on the LME as the market continued its decline in this trade...

PHILIPS, Dutch-based electronics group, announced a further tightening of control over its North American Philips (NAPAC) subsidiary...

BERNARD ARNAULT, chairman of Financière Agache, is about to reinforce his position in Moët Hennessy-Louis Vuitton (LVMH), champagne, cognac and luxury goods conglomerate...

WESSANEN, Dutch foods processor and distributor, acquired two distributors of health foods products in the US, Gourmet Foods, of St Paul, Minnesota, and Award Foods of Dallas, for an undisclosed price...

GOULD, US computer and electronic products group, saw second-quarter earnings decline with lower results from its electronic systems and higher net interest expenses...

ALBA, consumer electronics group, moved to secure a presence in Continental Europe with the acquisition of 99 per cent of its French distributor, Telemedia SA...

FROVIGO, Canada's second largest food distributor after the Weston group's Loblaw, is buying 15 northern California supermarkets from Lucky Stores for an undisclosed price estimated to be about US\$30m...

SULZER, Swiss equipment company, is pushing into the US pump market, following its purchase of Bingham International, a large US pump manufacturer...

Commission blocks GC&C bid for Irish Distillers

David Buchan in Brussels and Clair Pearson in London

THE EUROPEAN Commission has intervened in the IR200m (€226m) takeover struggle for Irish Distillers by giving the GC&C Brands consortium of Grand Metropolitan, Allied Lyons, and Guinness two weeks to modify its bid or face a mandatory suspension of all further share-buying in the Irish group...

China's Politburo 'clashes on economic policy'

By Our Foreign Staff

SERIOUS disagreement over China's economic policy has emerged at the annual meeting of the Politburo, according to reports reaching Peking...

Iraq 'made use of mustard gas against Iran'

By Andrew Gowers, Middle East Editor, in New York

THE UN yesterday unveiled strong evidence that Iraq has recently stepped up its use of chemical bombs containing mustard gas and other substances against Iranian forces in defiance of repeated Security Council resolutions...

Argentina shuts banks on eve of economic package

By Gary Mead in Buenos Aires

ARGENTINA'S banks were shut yesterday as the Government prepared today's announcement of a new economic package aimed at bolstering foreign confidence in the country's faltering economy...

Jordan 'must take role in West Bank'

By Andrew Gowers in New York

US SPECIALS yesterday showed the withdrawal of King Hussein's relinquishment of Jordan's responsibility for the Israeli-occupied West Bank, claiming it may be a tactical move designed to put pressure on the Palestine Liberation Organisation...



Soviet trade imbalance with partners strains Comecon

By Leslie Collins in Berlin

SERIOUS strains are surfacing in Comecon, the Soviet-led trading bloc, over Moscow's growing trade imbalance with its partners...

Thatcher's criticisms of united Europe stall moves for change

Foreign affairs: Why Helmut Kohl has taken a warmer view of Mr Gorbachev's efforts

Mrs Thatcher's recent remarks on a united Europe have underlined her view on the limitations of this policy. Such lack of enthusiasm looms Britain friends in Europe and stalls the momentum for change...

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MARKETS table with columns for Nickel, Sterling, Dollar, and various stock indices.

STOCK INDICES table listing New York, London, and other market data.

CONTENTS table listing various articles and their page numbers.

Advertisement for Peterborough premises with text: 'YOU WOULDN'T BE THE FIRST TO BUILD YOUR NEW PREMISES IN PETERBOROUGH...' and an illustration of a man in a hat.

OVERSEAS NEWS

Angola-Namibia talks prompt cautious optimism

By Michael Holman in Geneva

THERE are two views about prospects for the talks on Angola and Namibia (South West Africa) which resume in Geneva today.

The optimistic - almost euphoric - assessment came last week from Mr Fidel Castro, the Cuban leader, who has committed nearly 50,000 of his troops to the battle between Angola and South Africa.

THERE IS a "positive momentum" to the Angola-Namibia talks, Mr Anatoly Adamishin, the Soviet Deputy Foreign Minister, said yesterday, Michael Holman writes. He was speaking after a meeting with Dr Chester Crocker, who is chairing the four-country negotiations beginning today.

The meeting illustrates the close co-operation between the US and the Soviet Union in efforts to bring independence to Namibia and end the war in Angola. Mr Vladilen Vasev, head of the Southern African Department in the Soviet Foreign Ministry, is staying in Geneva as an observer.

Basra business prepares for peace

Barbara Slavin reports from an Iraqi city at the Gulf war's centre

THE BIG guns began booming at sunset, flashes of light from their muzzles blinking bright on the horizon beyond the palm-fringed Shatt al Arab waterway.

"It's a white light which means Iraqi artillery," explained a local shopowner nonchalantly. "Yellow light is Iranian."

Perhaps 50,000 of the 200,000 families that fled Basra in 1987 have now returned, said the shopowner.



Windows were shattered everywhere, even at the local headquarters of the ruling Baath Party and the 'Museum of the Martyrs of the Persian Aggressive Shelling' opened when the bombardments started in 1984.

"Two hundred shells fell every hour," said the shopowner, drinking a soda at the Badr casino, a cafe along the Shatt that stayed open throughout the war.

The posters, the product of a personality cult second only to that of North Korea's leadership, were the only items in town this week that seem to have been completely renewed.

Hopes for Kampuchea peace formula

By Peter Ellingsen in Peking

CHINA seems cautiously optimistic that Sino-Soviet talks scheduled for Peking this month may provide the beginning of a formula for resolving the future of Kampuchea.

Sources in Peking said the withdrawal of Soviet troops from Afghanistan and the recent thaw in Sino-Soviet relations were signs that Moscow was willing to negotiate over the 10-year Kampuchean impasse.

The Soviet Union and Vietnam fear the 40,000-strong group would dominate any new administration. China will offer political asylum to former Kampuchean leader Pol Pot, who is in a Peking hospital for unspecified medical treatment.

NZ Government split over plan to sell bank

NEW ZEALAND'S Labour Party Government, faced with a growing crisis over plans to sell the country's leading bank, said on Monday it was calling a special meeting of its MPs to discuss the issue.

Mr Anderson said he would abstain, but not join the Opposition, in the vote on the sales announced by Finance Minister Roger Douglas in his budget last Thursday.

Two Soviet POWs to be freed

AFGHAN guerrilla leaders said yesterday that they would release two Soviet prisoners of war as a gesture of goodwill.

The announcement came as a Western diplomat reported a big offensive against the rebels under way near Kabul.

Tokyo loan for Indonesia

By John Murray Brown in Jakarta

INDONESIA has won a big concession from Japan, its main bilateral donor, in its bid to reduce the yen portion of its debt.

Japanese officials in Jakarta said it was the first time the Exim Bank had agreed to lend in currencies other than yen.

Japan's Export-Import Bank is to lend the equivalent of \$576m (£333m), made up of ¥60m and \$20m, at semi-concessional interest rates to fund projects in power, transport and agriculture sectors run by the World Bank and the Asian Development Bank (ADB).

Over 30 per cent of Indonesia's estimated \$40bn foreign debt is denominated in yen, which has appreciated sharply since late 1985 against other major currencies.

The rebels were grouped around the garrison town of Paghman, he said. The offensive began after days of heavy artillery and aerial bombardment of the Paghman area.

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BARCLAYS HOME MORTGAGE RATE.

Barclays Bank PLC announces that on and after 1st August 1988, Barclays Home Mortgage Rate will be increased from 11.1% to

11.8% per annum



AMERICAN NEWS

Congress views shift on aid for Contras

By Nancy Dunne in Washington

CONGRESS is again faced with the politically explosive issue of aid for the Contra rebels of Nicaragua...

backing the Contras. At the weekend, President Reagan called for a renewal of military aid to the Contras...

Meanwhile, Mr. George Shultz, the US Secretary of State, has arrived in Guatemala on the first leg of an 11-day Latin American trip...



Shultz: Guatemala talks

White House seeks compromise on arms sale to Kuwait

By Nancy Dunne

THE Reagan Administration is discussing a \$1.8bn arms sale deal for Kuwait with members of Congress and Jewish groups...

argued that if Congress fails to agree to the sale, the Kuwaitis, like the Saudis, will take their business elsewhere.

Mexico's 'loser' holds all the political cards

David Gardner reports that the opposition has continued to grow in strength

NEARLY three weeks after Mr Carlos Salinas de Gortari, candidate of the ruling party, the Revolutionary Party (PRI) regime, was declared the victor of Mexico's bitterly contested presidential elections...

cannot be discounted. Since he started his drive to overturn the election with a rally of over 200,000 ardent supporters in Mexico City two weeks ago...

The coming weeks are also cluttered with emotive anniversaries around which the Cardenistas can rally: October 2, the 20th anniversary of the army massacre which ended the 1968 student rebellion...

on the eve of the elections, and last week a Mexico City stock brokerage was blown up. By far the regime's best option appears to be to ignore the opposition but not its message...

Nova Scotia to hold election in September

By David Owen in Toronto

AFTER months of speculation, Mr John Buchanan, the long-serving provincial premier in Canada, has said that voters in the east coast province of Nova Scotia will go to the polls on September 6.

Mr Buchanan, 57, was thought to have been deterred from calling an election late last year by the result of a similar contest in neighbouring New Brunswick.

Ford, Yamaha in engine link for US car

By Ian Rodger in Tokyo and John Griffiths in London

THE first collaborative project between Ford of the US and Yamaha Motor, the Japanese motor cycle and engine group, will reach the market later this month in the form of a high-performance version of the Taurus Ford's best-selling North American medium-sized car.

ECGD may restore Brazil cover soon

By Peter Montagnon, World Trade Editor

MEDIUM-TERM UK export credit cover for Brazil could be restored as early as September or October, following Brazil's \$5bn (\$2.2bn) Paris Club debt rescheduling agreement with official creditors reached at the weekend.

UK exporters eye southern opportunities

Peter Montagnon reports that EC regional aid grants could boost project business

BRITISH civil engineering companies are coming under pressure from the Government to take advantage of growing export opportunities in southern Europe which officials believe will be created by the substantial increase in European Community aid grants in the run up to 1992.

Denmark bus groups in 'flag transfer' move

By Nancy Dunne in Washington

DENMARK may soon be forced to modify one of its high indirect tax levels to prevent a loss of jobs and business to European competitors, Hilary Barnes reports from Copenhagen.

Tokyo to ease trade insurance regulations

By Our World Trade Staff

JAPAN'S Ministry of International Trade and Industry plans to ease restrictions on trade insurance in order to encourage Japanese private firms to invest in developing countries, ministry officials said, Reuters reports from Tokyo.

Japan to hold more talks on Korea textile imports

By Our World Trade Staff

JAPANESE and South Korean officials are to hold further talks shortly on the flood of Korean textiles exports to Japan, amid signs that voluntary curbs imposed from July have not fully reassured Japanese officials.

Eximbank reopens loan programme for Brasilia

By Nancy Dunne in Washington

THE US Export-Import Bank and its agent the Foreign Credit Insurance Association, yesterday announced that they had reopened their programme for medium and long-term financial support of US exports to Brazil.

Saudi deal for Finns

By Our World Trade Staff

Finland's Kone Corporation and its West German joint venture company O&K Rolltreppe will supply a complete passenger transportation system for the King Fahd Airport, Dammam, Saudi Arabia, Olli Virtanen reports from Helsinki.

Colombo buys US wheat

By Our World Trade Staff

SRI LANKA has purchased 88,254 tonnes of US wheat grain at \$21 less than the prevailing market price of \$165 a tonne, Reuters reports from Colombo.

Shuttle rehearsal

By Our World Trade Staff

TECHNICIANS yesterday finished a crucial rehearsal for the launch of the space shuttle Discovery in spite of technical troubles that officials said might delay its launch until Friday or Saturday, Reuters reports from Cape Canaveral.

Guatemala 'close to IMF deal'

By Our World Trade Staff

GUATEMALA is about to finalise negotiations with the International Monetary Fund for a standby loan and complementary financing amounting to \$1.2bn, according to Guatemalan monetary officials, writes Anson Ng in Guatemala City.

US construction spending up 0.1%

By Our World Trade Staff

US construction spending in June rose 0.1 per cent in seasonally adjusted \$42.4bn annual rate, AP-DN reports from Washington.



OVER

Until very recently, only those in the upper echelons of the social register ever inherited anything of any real worth. As the heirs of "well-to-do" families they knew what was coming to them, just as they knew what was expected of them.

This wealthy and worldly minority (perhaps 10% of the population) is now about to be superseded by a new, larger and more volatile band of inheritors: today's middle-aged, middle classes.

It is they who are set to become the "nouveau riche" of the 90's and beyond. And they will, in a very real sense, owe it all to their parents.

For it was the post-war generation who first enjoyed widespread home ownership. Now retiring in their millions, they will soon be conferring their wealth upon their already affluent 40 and 50 year old children.

A portentous event when one considers that even a modest estate can now be expected to top the £100,000 mark.

In fact, estimates predict that by 1997, parents passing away will pass on a staggering £24 billion a year. (240% up on current levels.)

Undeniably, the impact of this quiet, yet colossal transfer of wealth will be immense. It will affect



OVER THE NEXT 10 YEARS, MILLIONS OF PEOPLE WILL BE CONFRONTED WITH A UNIQUE PROBLEM.

companies big and small, old and new, progressive and old-fashioned alike. It will doubtless affect you and your company. After all, millions of dutiful sons and daughters will be presented with dauntingly large legacies.

But will they spend, spend, spend? Or will they use their vast discretionary wealth with discretion?

Will they, as some pundits predict, fritter their money away on the likes of fritto misto di pesce and moules à la crème; German fitted kitchens; Milanese designer furniture; winter holidays in St Lucia and summer jaunts to gîtes in the Camargue?

Or will they, as rival experts would have us believe, plough their considerable capital into the City's money markets?

As it is, 1 in 5 adults now hold stocks and shares of one sort or another. 1 in 3 have taken out their own private pension plan. 1 in 10 have decided to invest in private health care. These figures could advance dramatically given sufficient nouveaux inheritors with sufficient financial perspicacity. No area of finance would remain untouched.

Private education, for example, could become a realistic and popular option for legions of middle class families overnight.

Whilst an ever-decreasing retirement age and a less munificent welfare state could bring pension and private health care planning to the front of millions of minds.

The vagaries of luck and fate need not decide your company's eventual response to all this, though you can start doing something about the matter today, just by thinking ahead.

For forward planning is the only answer. An answer that we at Ernst & Whinney have put into practice for companies of all sizes and complexions. In all probability, your company could benefit from contacting us. After all, without wishing to blow our own trumpet, we do have a wealth of experience.

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UK NEWS

Consumer boom is about to fade, says forecasting group

By Ralph Atkins, Economics Staff
BRITAIN'S long-running consumer boom will have faded by the end of the year, according to latest forecasts by Staniland Hall, the business forecasting group.
Consumer spending will grow by just 1.4 per cent in real terms in 1988, compared with 4.7 per cent in 1987, the report says.

Motorola secures Cellnet mobile network order

By Hugo Dixon
CELLNET, one of Britain's two mobile phone networks, has chosen Motorola, the US electronics company, as the initial supplier of infrastructure for its new pan-European digital network.
Cellnet plans to spend more than \$400m on such equipment over the next five years.

Gleneagles buys into Lake Placid project

By David Waller
GLENAGLES, the Perthshire hotel much beloved by businessmen and golfers, is to expand in the US. It has acquired a stake in a hotel at Lake Placid, New York state, where it is to create a sporting and conference centre of a scale and standard comparable with its Scottish flagship.

Imports of spirits jump 16%

By Christopher Parkes, Consumer Industries Editor
IMPORTS of liqueurs, vodka and North American whiskies rose by almost 16 per cent last year.
Sales of native gin and Scotch, on the other hand, continued their long-term decline, with sales falling by 3 per cent, according to the Wine and Spirits Association.

Government starts review of student unions

By David Thomas, Education Correspondent
THE GOVERNMENT is seeking extensive information on the spending patterns, internal procedures and political activities of student unions as part of its review of the relationship between student unions and the National Union of Students.

Contractors hit by road repair moratorium

By Andrew Taylor and Kevin Brown
ROAD BUILDING and maintenance companies have started to lay off workers as a result of a government moratorium on motorway and trunk road repair contracts.

Food makers face rising demand for new products

By Christopher Parkes, Consumer Industries Editor
FOOD manufacturers are flooding the UK market with new products in response to rising demand from a population hungry for "something different".
Launches of branded foods and drinks more than doubled in the first six months of the year, increasing to 1,600 compared with 738 in the first half of 1987, according to the Leatherhead Food Research Association.

Three pesticides banned

By David Fishlock, Science Editor
THE GOVERNMENT is banning three pesticides for their persistence, a property once sought by industry but now seen as potentially harmful to the environment.

Drug companies call for longer patent protection

By David Fishlock, Science Editor
BRITAIN must try to persuade its European partners to legislate for longer protection of pharmaceutical patents, says the Association of the British Pharmaceutical Industry, trade association for the drug companies.

Unions line up for attack on single European market

By Philip Basset, Labour Editor
EUROPE'S PLANNED single market in 1992 will be the subject of a centrepiece debate, to be attended by Jacques Delors, President of the European Commission, at the Trades Union Congress annual gathering, to be held in Bourne-mouth on the south coast of England next month.

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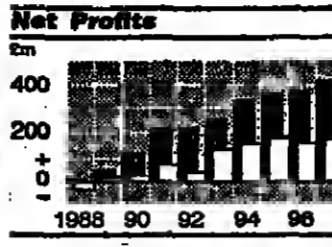
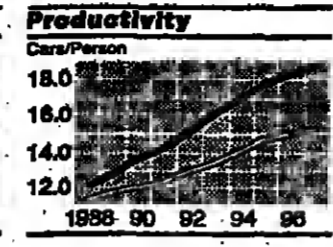
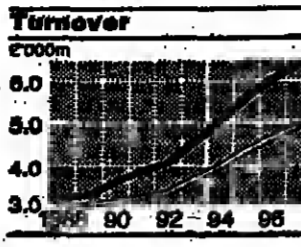
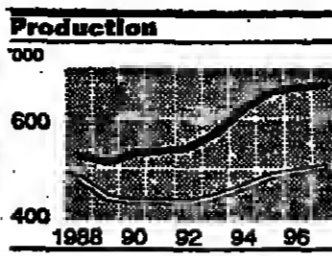
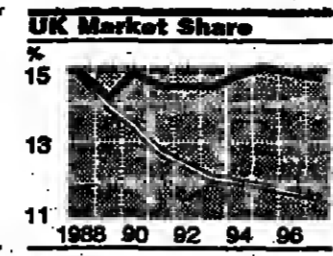
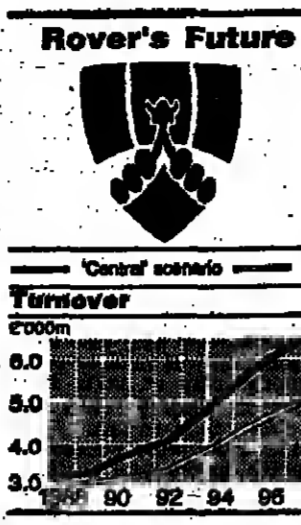
Car group poised to achieve steady growth over next 10 years, says report

Rover Group was 'exceptional value' for BAe

By Kevin Done, Motor Industry Correspondent

ROVER GROUP, the UK state-owned car maker which is shortly to be taken over by British Aerospace, is set to achieve a steady growth in profits throughout the next decade according to a major study by the Motor Industry Research Unit of the University of East Anglia.

The report by MIRU, one of the leading UK academic research centres into the motor industry, claims that Rover Group represents "exceptional value" and has been bought "at a very favourable price". The report is based on a detailed analysis of the restructuring already carried out at Rover Group, previously British Leyland, and on its assumed future product plans.



Capital expenditure of £230m-£350m a year will be needed for most of the next decade as Austin Rover concentrates the production of small and medium cars at Longbridge, Birmingham and the assembly of executive cars at Cowley North works.

If the relationship with Honda were to be severed in the early 1990s with Honda building its own assembly plant at Swindon, where it is already building an engine plant, Rover group could survive, says MIRU, but with declining profits from the mid-1990s.

It is also optimistic about Rover Group's long-term prospects in the US, despite its sales setback with the top of the range Sterling this year, and suggests that US sales should exceed the 1987 level from 1991 increasing to 33,000 units in 1997.

ket with an image target of BMW for the overseas markets, while supplying a complete range of vehicles in the UK domestic market." MIRU suggests that European sales excluding the UK could rise by some 35 per cent over the 10 years 1987-97 from 110,000 units to around 140,000 units helped by the introduction from 1993 onwards of the R8/B9 and Rover 800 plus derivatives. It is also optimistic about Rover Group's long-term prospects in the US, despite its sales setback with the top of the range Sterling this year, and suggests that US sales should exceed the 1987 level from 1991 increasing to 33,000 units in 1997.

Life insurers dismiss doctors' criticism over AIDS testing

BY NICK BUNKER

A ROW over AIDS tests between doctors and the insurance industry showed signs of intensifying yesterday as the Association of British Insurers flatly dismissed criticisms of its procedures made by the British Medical Association. The ABI - which represents about 625 insurers - said it was "surprised" that the BMA had not approached the industry before making a statement warning doctors against sending AIDS test results direct to life assurance companies.

Mr Roy Brimblecombe, chairman of the ABI's Life Insurance Council, said the ABI "fully agreed" with the BMA about the need for counselling. He said the draft letter recommended that there should be counselling regarding the implications of a test before the applicant consented to undergo one. "If a test proves positive, the Chief Medical Officer will inform the doctor or clinic previously nominated by the applicant so that post-test counselling can be initiated," he added.

Funds shortage kills money market settlements system

By David Lascelles, Banking Editor

An initiative to create an electronic clearing and settlement system for London's money markets collapsed yesterday because of a reluctance by banks to finance it. The setback is an embarrassment for the City of London. It means that the markets, which handle billions of pounds worth of bills and money instruments every day, will continue to be settled by shuffling paper between dealers at a time when other financial centres have gone over to modern methods.

The Committee of London and Scottish Bankers, the clearing banks' trade group, was consulted by the Bank of England in an effort to keep the project afloat. But LondonClear said last night that these discussions showed "that adequate funding would not be forthcoming". A CIBSB spokesman said that its members "were in favour of the concept in its original form but could not agree to it on the grounds that a very heavy burden would be placed on them to finance it".

SALES?

"More letters were posted than ever before, parcels traffic rose, and both Post Office counters and Girobank improved and developed services to the customer."

PROFITS?

"All 4 businesses contributed to a group pre-tax profit of £212.2 million compared with £170 million a year ago. The Post Office today is one of the very few in the world that consistently makes a profit without any form of subsidy."

INVESTMENTS?

"The group is investing heavily in services and technology for the 1990s and beyond. Capital spending group-wide was £152.6 million including some £29 million on computers and £56 million on vehicles."

EFFICIENCY?

"The postal business continues to reduce real unit costs, with a saving in the year of £81 million. Letters productivity improved by 2.8% on last year's highest-ever level."

PRICES?

"The Post Office can be proud of its record on prices. The basic second class stamp is still only a halfpenny more than six years ago, and first class letter prices have been unchanged since October 1986."

'Stronger measures' call on ozone layer

By John Muir

MUCH STRICTER curbs to prevent further pollution damage to the ozone layer are proposed in a report published today by the House of Lords committee of the European Communities. The committee is demanding far tougher reductions in the use of chlorofluorocarbons (CFCs) than those envisaged by British and other EC countries. These substances are used in aerosols and as refrigerants and solvent cleaners, and are believed to damage the ozone layer.

The committee also makes public a strong warning to be contained in the forthcoming report of the Stratospheric Ozone Review Group, a body of scientists set up by the Department of the Environment and the Meteorological Office to give independent advice on the threat to the ozone layer. The group warns that "unless emissions are reduced very much further, as a matter of urgency, it is likely that more severe depletion of stratospheric ozone will occur". The ozone layer protects the earth from excessive exposure to ultraviolet radiation from the sun. Scientists believe its depletion could lead to an increase in radiation, which could in turn cause skin cancer and damage plant life.

Colleges export courses

By Ian Hamilton Fazey, Northern Correspondent

AN INNOVATIVE consortium of seven universities and five polytechnics has won a £1m contract from the Malaysian Government to provide undergraduate courses for 2,500 Malaysian students over the next three years.

The 12 institutions will prepare first-year syllabuses for use in Malaysia. Students who pass will then take up places in Britain. The plan has the twin merits of cutting the time students spend in the UK and increasing their chances.

The above statements are taken from Sir Bryan Nicholson's first annual report as Chairman of the Post Office. For your copy of the Post Office annual report and accounts 1987-88, write to: Report 88, Freepost, London SW1X 1EE.



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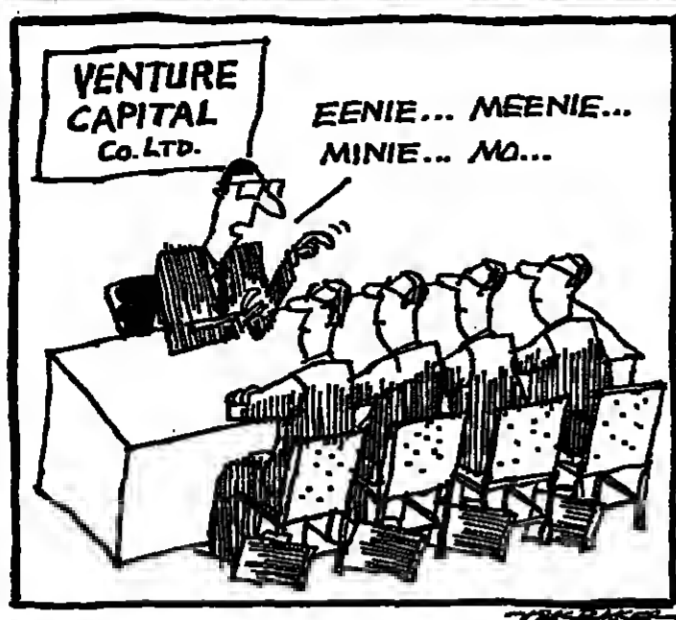
MANAGEMENT: Small Business

Picking the winners

A remarkably inexact science

Start-up appraisal techniques still fall short, reports Charles Batchelor

In just three years Blue Ridge Care, a manufacturer of disposable nappies, has emerged as one of the stars of the economic revival of Consett, the Durham steel town devastated by the closure of several of its main industries in the early 1980s.



THOSE people who complain that Britain lacks the role models of successful entrepreneurs which are so common in the US will get little comfort from Secrets of Success: What You Can Learn From Britain's Entrepreneurs.

more favourably than the fruits of hard work, ingenuity and marketing aplomb. Most of Rasmussen's business-people have been chosen from the ranks of those who have taken their companies public.

ities of these entrepreneurs is not easy and Rasmussen cannot avoid the occasional lapse into oversimplification. But by and large his subjects do not conform to many of the large organisations usually through the Unlisted Securities Market, in the past 10 years.

The market was unpropitious; he did not have a complete management team; and Langston, an American, had no track record of setting up an independent business plan in a peripheral and declining region of Britain.

Langston had to swallow a number of rejections before finally winning venture capital backing from the Development Capital Group; the rest of the financing then fell into place.

The contrast between Blue Ridge Care's current success and the difficulties it had getting off the ground are striking. Could no one have predicted the company's spectacular growth and taken much of the hassle out of getting started?

"If you could say ahead of time who would succeed, you would only make one telephone call and knock on one door," says Langston. "Likewise, if the financiers could conjure up the perfect investment they would save themselves a lot of tedium."

For all the effort that governments, bankers, venture capitalists and the small business community put into it, picking the winners remains a remarkably inexact science.

Venture capitalists skim the pool of small business talent for suitable projects to back - often rejecting 49 out of every 50 propositions put to them - but they still reckon on finding only one or two high flyers in a portfolio of 10 with a similar number of total flops and five or six worthy but unexciting investments.

The present techniques that are used for picking the winners involve a combination of objective analysis and subjective judgment. The objectivity comes in assessing the financial ratios of the business; the judgment in weighing up the product, the market and the individual.

With the new venture without a track record, the individual and his team, if he has one, are by common consent the crucial factor. "We look at the people first and then at the numbers," says Richard Kemp, a director of Brown Shipley Development Capital.

What Kemp wants from a businessman is "commitment, a track record and the ability to explain his business idea. He has to know the product, the market and the competition."

Deciding who to back "is all about people," says David Thorp, director responsible for start-ups at 3i, the venture capital group. "Relevant experience is the key," he adds. "The person involved must have had profit accountability and, if it is a team of managers, they must have shaken down together somewhere before."

Yet try as they might, the venture capitalists, the bankers and other backers of small business still manage to get it wrong far more often than they would like. In a soon-to-be published study of small business,

Paul Foley, a researcher at Sheffield University, lists luck alongside more formal criteria as a factor in business success. Is it likely that a reliable predictive system could be developed, offering, for example, banks the possibility of reducing their failure rates and the Government the facility to channel more resources towards companies deemed most likely to grow?

David Storey, director of research at Warwick University's Small Business Centre, has completed several studies of small company performance in recent years and last year launched a scoring system which he claimed, could predict the likelihood of a company survival with a 75 per cent degree of accuracy.

The most successful companies were managed by people with marketing experience who were more aware of their own strengths and weaknesses and the activities of their competitors than their less successful counterparts. The successes were more aware of the need to keep updating their product range or services and were also more likely to be exporting.

But more striking than the differences between the high flyers and the laggards were the similarities. The founders of both types of company were predominantly male, aged between 36 and 45, had A levels, Ordinary or Higher National Diplomas rather than a degree and had previously worked as a manager in small or medium-sized firm in the same sector.

substitute for the judgment of the bank manager or the loan executive. A recent study by Storey, entitled Fast Growth Business in Northern England, found that the more successful firms were characterized by the level of ambition of their founders.

The fast growers emphasised profitability, market share and sales while slower growth business owners stressed job satisfaction and life-style.

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But even for those organisations,

the winners look very similar to the losers," confirms Bert Nicholson, industrial development director of the Central Regional Council in Scotland. "The same factors can produce success or failure. The bulk of companies in the middle will probably be OK."

An even greater problem for the investor trying to pick the winners is the likelihood of even the most successful firm running into difficulties along the way. "Even if you get the first stage right a company will often have a knife-edge experience 18 months out when the initial capital has been used up and the credibility of the management team is questioned," says 3i's David Thorp.

The best that can be hoped for, in the view of many people who have looked at this question, is to eliminate the losers.

For some of the organisations involved in backing and advising small business, particularly those with social as well as commercial aims, it is often enough to find the survivors. "We are looking to turn marginal projects into ones which are backable," says Roger Thackeray, chief executive of BSC (Industry).

Tax

Right first time

Charles Batchelor on presenting accounts

AVOIDING trouble with the taxman can be as much a question of how a business presents its accounts as of what they contain. Once an inspector comes across a set of accounts which appear suspicious it will be difficult to convince him they really do represent a true and complete statement of a business's activities.

expense item suddenly rises sharply. There may be perfectly good explanations for all these events; the freelance might be living off a redundancy payment while his business gets established; the special nature of a business's product line might produce lower profits than apparently similar businesses; the rise in, say, vehicle running expenses, might result from a retailer buying at cash and carry warehouses instead of having purchases delivered by wholesalers.

On his rapid scrutiny the inspector is searching for anything which looks odd; a freelance earning far less than would be needed to live on, a business producing a far lower rate of profit than is normal for its neighbourhood or its sector; a business where a particular

the cost of training courses, the availability of government grants and the amount small firms are prepared to pay.

LARGE companies in Britain have been reluctant to forge informal links with smaller businesses to share technology and expertise though corporate venturing is well-established in the US.

Philips Electronics, part of the Dutch electrical group, hopes it can broaden such contacts (FT 10 August 1988).

It will look at the different training needs of a company faces as it grows; at whether individuals get the training they need; and investigate

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TECHNOLOGY

When lightness pays

"LET'S see what it can do," says the aircraft designer, throwing the precious product to the floor and stamping on it. But the crushed plastic springs back into shape uncracked.

Harry Pentney tells the story with relish, for it illustrates everything he is claiming about his reinforced plastic tubes. His market is aerospace because, as he puts it, a pound saved on the weight of a military aircraft is worth £300.

He is one of four former Raychem executives who two years ago formed a high-technology company in the aerospace business. Called Shrinemark and based in the Cotswolds, the company's technology base - unwanted by Raychem - is knowledge of how to make small-bore, uncrushable tubes. The tubes are made of thermoplastic materials, reinforced with braided fibres of carbon, Kevlar or glass. The process combines time-honoured textile practice with polymer science.

Shrinemark produces long tubes - round or elliptical in section - of the kind that interest aircraft designers. The tubes can be squashed flat to squeeze into awkward recesses, but once in place they will spring back into shape.

Pentney says an example of their robustness is that they can resist slopped Coca Cola, a corrosive which can wreak havoc with aluminium fittings in aircraft galleys. But the big selling point is lightness.

The company pitched initially for aircraft cooling ducts,

of the kind used to ventilate the cabin and to pipe cooling air to electronic systems. But soon it was invited to tender for fuel pipes, a bigger challenge because of the strict safety standards.

In the EH 101 helicopter, under development for the Defence Ministry, there is a potential 50 metres of air and fuel ducting for which it may be invited to tender. Other challenges include uncorrodible telescopic arms to suspend submarine sensors for the navy.

The quartet launched the company with their own money, but have just obtained a £150,000 injection from Hambros Advanced Technology Trust. Pentney forecasts sales of £500,000 this year.

The Department of Trade and Industry helped fund one of the development projects, but it was a time-consuming business.

Pentney has higher hopes of Smart, the DTI's small firms merit award for science and technology, aimed at projects that would be too risky for more conventional sources of cash.

Shrinemark has proposed a project to design and test-market a device called a P-clip, which is used by the hundred in every aircraft to secure the wiring. The customary metal P-clip weighs 13 grams. Shrinemark plans to make a clip of reinforced thermoplastic weighing only 3 grams.

David Fishlock

The Royal Opera House in London's Covent Garden is becoming more modern. Not that the programme is radically changing - Don Giovanni is playing this season; rather, new technology is appearing in the box office.

The investment is part of an international trend. From Madison Square Gardens in New York to Sydney Opera House in Australia, computer booking systems have been installed.

The UK theatre industry believes computers will improve marketing techniques as well as making it easier to purchase tickets. Thanks to the new systems, customers in the US or on the Continent can book tickets for the West End by telephone.

"In the 1980s, almost every major US venue has been computerised," says Fred Rosen, chairman of Ticketmaster, of California, the leading US supplier of computerised box office systems. Rosen estimates that \$1bn (£580m) of tickets will be sold through computer systems in the US this year.

Now, after a long wait, the European market is beginning to move, according to Karl Sydow, director of First Call, a subsidiary of London-based company Space-Time Systems which claims to have supplied 70 per cent of the UK's computerised theatre ticketing systems.

"The changes in arts funding and increasing professionalism of theatre management mean that performance centres have to be much more aware of the customer and the first point of contact is the box office," says Sydow.

He argues that the computers are an important marketing tool. Until recently, few venues had any idea who their audiences were. Managers in London's West End and on Broadway in New York are now using them to build up customer profile databases from the names and addresses of credit card customers.

"Companies like the Royal Shakespeare Company and Covent Garden

A contemporary role for the box office

Paul Abrahams finds that computers have become an important marketing tool at arts venues

are not interested in one-off sales," says Sydow. "They want to sell series of performances and subscription schemes. With a database of membership addresses they can target individuals who attend particular types of performances, rather than wasting money on national advertising."

Another attraction is that seats can be booked much further ahead. For example, the system has produced a dramatic improvement for the Concertgebouw in Amsterdam, which previously was only able to sell tickets for two weeks in advance because the booking office drawers could hold no more tickets.

Theatre managers have found that the computers also help to increase sales. Jules Boardman, managing director of Ticketmaster, a majority-owned subsidiary of Associated Newspapers, points out that computer-based systems are much more effective at allocating seats.

Simon Girdler, one of the supervisors at the Royal Opera House in Covent Garden, says that telephone sales, the postal department and the box office are now linked through the Space-Time system.

Previously, when the telephone sales department ran out of tickets, somebody would have to run down

stairs to see if any tickets were left in the other departments.

The box office can also react more quickly to demand. "When we have somebody like Placido Domingo singing, we receive hundreds of thousands of applications. Processing them by hand took days," says Girdler.

Sales are automatically fed into the Royal Opera House's accounting system. "Reconciling the accounts with the tickets stubs used to be very difficult. Everything had to be balanced and if a single stub was lost it could be a murder to make sure it all totted up."

Among the benefits for customers is the ability to book seats in one theatre for another, including being able to see seating plans on screen.

There are also links between theatres and independent bureaux. In the UK, some theatres use terminals connected to the two main bureaux, Ticketmaster and First Call.

"Ticketmaster provides a service called Viewticket which links up with travel agents, including about 200 branches of W. H. Smith Travel. This makes it possible to access the plan of theatres and concert halls elsewhere in the UK when booking tickets."

One of the main advantages of the bureaux is cost. The Digital Equipment Vax computers and other equip-



Placido Domingo: computers help cope with the rush to see him perform

ment for stand alone systems can cost from £40,000 to £1m, depending on the number of terminals and the amount of power required.

Even the personal computer-based systems, supplied by Rita, a company jointly owned by the Royal Shakespeare Company and British Telecom, can cost £20,000 for six workstations.

Computerised box office systems are also being used in the UK cinema industry. Jim Whittell, managing director of Odeon Cinemas, a subsidiary of the Rank Organisation, says that each of its cinemas will have computers by the end of the year. It has installed a PC-based system using Israeli software called Cats (Computerised Automatic Ticket Sales).

Britain has the highest attendance rate per cinema in Europe: audiences have increased by 39 per cent in the last four years. Cinema chains hope that advanced booking systems and computers will reduce both queuing and ticket touting (or "scalping" as it is known in the US).

AMC, the Kansas-based cinema

chain which has four multiplex cinemas in the UK, has also been investing in computer systems, though the main motivation has been on marketing.

Millard Ochs, UK director of operations, says: "We can record the age-groups going to cinemas, allowing us to target certain types of films. What's more, we can see which films are doing well on a day-by-day basis."

However, not all managers are convinced of the immediate benefits of computerisation. David Marland, deputy box office controller at Stoll Most Theatres, which runs a third of West End theatres, has been looking at automated box office systems for the last two years.

"West End ticketing is so complex that the current systems can't cope or tend to be too slow," says Marland. "We also think their security and reliability are questionable."

"The technology is moving forward so quickly, the risk is that we invest in a less than perfect set-up and then end up kicking ourselves when the definitive system arrives."



MANUFACTURERS HANOVER

Vitality

"Our plan is on track!"

Shareholders' equity up \$776 million

Manufacturers Hanover Corporation reported earnings of \$403.1 million for the second quarter, or \$7.93 per common share, and major progress toward its goal of restoring common equity to four percent of assets. It also reported a \$250 million reduction in nonperforming assets during the quarter and lower operating expenses.

Highlights for the second quarter include:

- An increase in common shareholders' equity to 3.60 percent of total assets, up from 2.36 percent at June 30 last year. The addition of \$776.3 million in common equity over the past twelve months brings total common shareholders' equity to \$2.52 billion, up 45 percent from \$1.74 billion a year ago. At June 30, primary capital stood at 8.56 percent of assets and total capital was \$9.7 billion, or 13.40 percent of total assets.
- An increase in common shareholders' equity at Manufacturers Hanover Trust Company, the Corporation's flag-

ship bank, to 4.06 percent of assets, up from 2.80 percent a year ago. The Trust Company's primary capital at June 30 stood at 8.59 percent of assets.

- Net income of \$403.1 million, or \$7.93 per common share. These results include a gain of \$291.3 million (including tax benefits) from the sale of the Corporation's consumer finance subsidiary, Manufacturers Hanover Consumer Services, Inc., as part of its equity replenishment plan. For the first six months, net income was \$543.4 million, or \$10.52 per common share.
- A \$250 million reduction in nonperforming assets in the past three months and a \$521 million reduction in the past year. Nonperforming loans have been down for four consecutive quarters.
- Earnings of \$31.8 million at The CIT Group, more than double the \$13.9 million reported in the second quarter a year ago. For the first six months, earnings at CIT were \$62.0 million, up 61.8 percent from \$38.3 million last year.

Chairman and Chief Executive Officer John F. McGillicuddy said, "The addition of nearly \$800 million in common equity reflects success in our plan to largely restore common equity by the end of 1988 to four percent of assets—approximately the same level prior to last year's reserving action. Our overall results demonstrate that the key fundamentals of our financial plan—managing our business for higher returns, lower expenses and improving credit quality—are on track with expectations.

"Because our capital-raising actions since last June focused on common equity, they are consistent with the new regulatory requirements for risk-adjusted capital. We are confident that Manufacturers Hanover will be well within the requirements as they are phased in."

Mr. McGillicuddy added, "The results at CIT begin to underscore the potential of this organization. In addition to the efficiencies effected through the restructuring of CIT, charge-offs and operating expenses are substantially below last year's levels."

A sizeable step for the flat TV

THE SIZE of flat screen colour televisions, which has been hovering at three to four inches for the displays, has taken a notable step upwards. Sharp of Osaka, in Japan, has just revealed the development of a 14-inch unit. Sharp will say nothing about the price at which it will be sold, but it is likely to be considerably more than a conventional 14-inch colour tube.

The television will go into mass production in the summer of next year. So by the autumn it can be assumed that the first "hang-on-the-wall" sets will appear on the Japanese market.

The display is only 27mm thick (just over an inch) and can produce pictures with more than 300,000 pixels (individual picture elements). This is roughly the definition produced by domestic video cameras; but less than the European broadcast television standards (roughly 0.5m pixels).

This film technology is used in this new liquid crystal unit, with pixel control transistors laid down over the whole screen area. The technology simplifies the control of individual pixels from addressing units on the edges of the screen.

Laser amplifies light signals

A TEAM at GTE Laboratories in the US has developed a laser, made from glass fibre, that is able to amplify light signals in the waveband range - 1,300 to 1,340 nanometres - usually employed in telecoms. (A nanometre is a thousand millionth of a metre.)

A commercial device may be some years away. However, the development opens up the prospect of simply splicing in a length of fibre and providing it with the necessary external light "pump" to produce laser action.

At present, amplification can only be produced by converting the digital light pulses back into electrical pulses and using normal electronic amplifiers. These "repeaters" are placed at intervals of perhaps 25km and can cost \$20,000 (£18,000). The GTE team says it will be able to make optical amplifiers for much less.

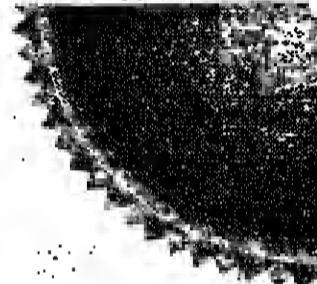
The fibre uses glass which is based not on the usual silica, but on neodymium-doped fluorozirconate. GTE believes the material eventually could be instrumental in piping light signals representing huge amounts of information to offices and homes.

New bearing for opposing thrusts

FOR applications such as jet engines, where the main shaft may be subjected to forward or backward loads along its length, The Timken Company in the US has developed a tapered roller bearing that can take these axial thrusts in either direction.

Tapered roller bearings are used where shafts have to take and thrusts while maintaining easy rotation. But if these thrusts can arise in either direction then, to date, two opposing bearings have had to be used.

With a combination of



WORTH WATCHING

Edited by
Geoffrey Charlish

design, a special steel and careful lubrication, Timken has produced a bearing with a single row of rollers that will stand up to the rigours of a modern military gas turbine.

Although this is a somewhat specialised area of bearing application, Timken believes other machine designers may be interested in the development.

Gear changes without footwork

AN AUTOMATED manual gearbox for road vehicles is being developed by Automotive Products, of the UK, as a lower cost alternative to full automatic transmission. AP is working with an undisclosed European vehicle maker and production is expected in 1991.

The automatic clutch and throttle system, ACTS, replaces the clutch pedal with electronically controlled linkages to a normal clutch and engine. As the driver moves the gear lever, a microprocessor controls the disengagement and re-engagement of a standard clutch, synchronising engine speed to suit the gear selected and eliminating the need for any movement of the accelerator pedal.

Competitiveness by the book

A NEW book, entitled *Competitive Manufacturing*, deals with the need for companies to re-examine their manufacturing strategy in the light of modern technology and market conditions.

It avoids the normal text book attitude and suggests that the reader, or more probably a company manufacturing team, go through a three-stage routine. It includes worksheets that have to be filled in before proceeding.

After stage one, the team should be aware of its present market position for the company's products. Stage two calls for thorough assessment of the manufacturing operation, while stage three is about developing a new strategy.

Published by IFS Publications of Bedford for the UK Department of Trade and Industry, the 77-page, A4-sized book costs £14.95.

CONTACTS: Sharp: Japan, 8 021 1221. GTE Laboratories: US, (617) 498 2528. Timken: British Timken is on 0294 52611. Automotive Products: UK, 0225 27000. IFS Publications: UK, 0234 65966.

ARTS

The dealer who collected a winning hand

William Packer reviews the first exhibition of the full collection of Heinz Berggruen

Heinz Berggruen was born in Berlin in 1914. His first interest was medieval art, which he studied in France...



Les Femmes d'Alger (the second version of 1895)

ments to his Picassos of the same period. The Bonnards are characteristic, and the early Miro, c.1925, 'The Dialogue of the Insects'...

The dealer's and the collector's gifts do not necessarily coincide: they are often contradictory

Berggruen was lucky enough to begin his double career in the right city at the right time

led. But he became more than just a dealer, however distinguished. He has also proved to be a great collector. Indeed, Berggruen's life as a collector was covered in the Western FT on Saturday...

over bear to lose his prize? The trick, in Berggruen's case, would seem to be the strictest separation of the activities, and dealing only rarely in the right city at the right time...

early 1950s, it is one of the most important Picasso collections still in private hands. But then, though they are not quite so extensive, the same might as well be said of his groups of Seurat, Cezanne, Matisse and Klee.

of expression, of light and air and space, achieved within so strict a formal discipline. More extraordinary still is 'Les Femmes' (in the second version of 1895). The same model strikes three poses in the studio, sitting at rest with her back turned, standing at ease before us and then sitting again, now in profile...

Self-help calls the tune for triumphant Torquato

BUXTON FESTIVAL

Like the lady in Pollock, the Buxton Festival may have had its ups and downs, but it still has a lot to offer...

advantage in two ways. First, the famous courtesan Don Gherardo 'is played' absolutely straight, while his music remains comic, and in Steven Page's virtuoso performance the character took on genuine and sinister malevolence...

expanded excitingly at the top and thrilling agility to her Eleonora; the brilliance of her cabaret-like made one regret even more the omission of the second and third acts...

Russell Smythe as Torquato Tasso and Stephanie Friede as Eleonora at the Buxton Festival

After a year or two of rather more downs than ups, the tenth festival, which runs until Sunday, faithfully reflects the record, with one bull's-eye and one fairly honourable failure. The good news first: thanks to canny production (Malcolm Fraser), excellent musical direction (Carlo Rizzi) and a fine cast, Donizetti's Torquato Tasso can no longer be written off as a poor relation in the composer's canon.

Donizetti himself expressed doubts about the piece's viability, but on this evidence they were groundless

Haydn's Armida, being given its UK premiere, complemented the festival theme of the epic poets, Tasso and Byron. The piece is eminently worth airing: the third act, set in the enchanted grove, is pure gold throughout, with nature music of Gluckian elegance and simplicity. Rinaldo has a powerful scene in the second act. The problems are a clumsily constructed libretto and a first act that is only workmanlike, though with this composer 'workmanlike' is good enough for most of us.

Renshaw, seemed to have given up altogether, perhaps understandably given the dramatic impossibility of his protagonists. Even a polite British audience was driven to giggles by the third act: in Europe the show would have been whistled off the stage.

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ARTS GUIDE July 29-Aug 4. MUSIC: London, BBC Symphony Orchestra, conducted by Leonard Slatkin. Amsterdam, Concerts by Stephen Church Choir. New York, Mostly Mozart Festival. Paris, Opéra de Paris. OPERA AND BALLET: London, Les Ballets de l'Opéra de Paris. Rome, Teatro di Cagliari.

A Mass of Life

ALBERT HALL

With its slow unfolding of a luxuriant and grand design, Delius' A Mass of Life might well have been written for a sultry, unburied Sunday night at the Proms.

Excerpts from Nietzsche's Zarathustra form the text. The point has often been made that the score should not be judged as an attempt at setting philosophy to music, because it was the poetry and atmosphere in Nietzsche to which Delius responded, rather than the ideas.

I Fought Yuppies

Zombies From Hell

ALEXANDRA PARK

The collapse of the Festival of London last week left two survivors: the Moscow State Circus and, nestling beside it in a somewhat smaller top, London's own Bubble Theatre.

Its four-day stay at Alexandra Park came in the middle of a three-month summer tour with two main shows, a children's play and a late-night cabaret. This place, A Midsummer Night's Dream alongside a rock horror musical reworking in the title I fought Yuppies Zombies From Hell.

Richard Fairman. Claire Armitstead. Ravenna Festival. For Italian festivals these days the weather forecast is required reading. The summer has been unstable, and often inclement. Performances have had to be postponed, even cancelled. In Ravenna, the audience that gathered in the lovely park behind the Pinacoteca to see the beloved ballerina Carla Fracci arrived armed with umbrellas, macs and brave hope.

William Weaver

LETTERS

'I, for one, felt safer in the old days . . .'

From Mr F.J.H. Finlay. Sir, It has been clear, since the Securities and Investments Board (SIB) first announced its proposals for a compensation scheme, that investors on the London Stock Exchange using a member of the exchange to handle their investments would be less well protected under the new arrangements than under the old. It was also clear that if stockbrokers were going to have to pay substantial amounts for the new scheme, they would not be happy to carry on paying for the old one.

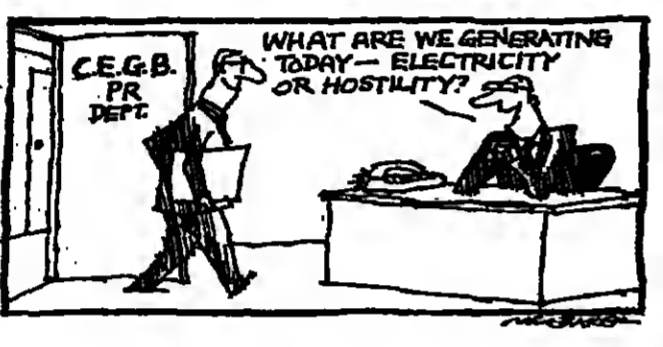
registering every holding in a different name. The US market went this way a long time ago; it is not uncommon in the US to find a substantial list rate additional charge to have investments registered in your own name. This is a development to be welcomed; it is more efficient, and will enable brokers to continue providing a more economic service. However, it increases the risk of the client who, if he/she uses it, is exposed to broker risk not just on the outstanding bargains but on the entire portfolio.

The SIB should, however, re-think, so that ultimately the Stock Exchange need not do this. If an investment firm collapses in this modern world it is ultimately the responsibility of the SIB which, through a chain of self-regulating organisations (SROs), has authorised it to carry on business. If the capital adequacy requirements are properly designed, honest firms will not collapse. That leaves the risk of fraudulent players - which SRO audit teams must be trained to detect. If a compensation scheme cannot compensate investors in a fraudulently managed company which even the relevant SRO did not identify, then there seems little point in having this entire self-regulatory edifice.

I, for one, felt safer in the old days, when I put my money with a stockbroker ultimately backed by a responsible Stock Exchange. Fabian Finlay, 9 North Audley Street, W1

Small means business-like

From Mr P.A. Rowe. Sir, Charles Batchelor (July 20) reports on further calls for the imposition of statutory interest on trade debt. What a pity that we should have to hear this sterile claim again when the Government, supported among others by the Confederation of British Industry (CBI) and the Institute of Directors, has just issued its useful booklet "Prompt Payment Please", which gives sensible, practical guidance on overcoming the problems of late payment.



Electricity and the environment

From Mr Jon Parker. Sir, One area that your editorial, "Unsolved issues in electricity" (July 21), fails to address is how environmental requirements will be catered for after privatisation. This is a surprising oversight. Cive Cookson's thoughtful analysis of the greenhouse effect (Lombard, July 14), and your thorough survey on care of the environment (July 19).

Most environmental issues, such as acid rain and decommissioning of redundant nuclear plant, exist now, prior to privatisation. There obviously needs to be a strong regulatory framework to ensure that private companies cater for these problems adequately. It is also likely that new environmental problems will arise in the future. There are questions of land use, as private companies are likely to prefer smaller scale and more numerous generating plants (Max Wilkinson, July 1). There is likely to be a dramatic increase in open cast coal mining, which is far cheaper than deep mining, to feed an electricity industry intent on lower costs. But will the privatised industry pay the full environmental costs of scarring the landscape?

Privatisation is also likely to bring environmental issues to the fore. Electricity supply companies will probably prefer to invest in generation of electricity from gas, which has carbon dioxide emissions substantially lower than coal and oil (Jonathan Stern, Letters, July 20). Options such as renewable energy and, most significantly, energy conservation, would be far less risky investments than nuclear power, both financially and environmentally, and would reap dividends for the environment (Andrew Warren, Letters, July 20).

Call collect

From Mr Andy Green. Sir, Far from being left behind in producing "collectable" Phonocards (Observer, July 27), British Telecom produced its first national, commemorative Phonocard, depicting the Christmas lights in London's Regent Street, more than six months ago.

Part of the CEGB's corporate role is therefore to strike a balance between environmental impact and economic benefits. It is worth comparing the budgets of the environmental and control technology research of the CEGB's environmental division with that of the Electricity Power Research Institute (EPRI), the organisation most comparable in the US.

Jon Parker, Management Studies Group, Department of Statistics, University of Cambridge.

Music to exporters' ears

From Mr Peter Dodd. Sir, To many of us in the shipping business the news of the proposed development of the Isle of Grain site by Highland Participants is pure music.

However, reducing port handling charges alone is not the whole answer. Here I suggest that the management of this new venture puts the savings and pilots out to international tender. At the same time, would this not be an opportunity for both management and Government to loosen the stranglehold of various authorities, and do the same with navigation aids, thus reducing the burden on ship owners of light and consultancy fees?

Peter M. Dodd, 250 Queens Lane South, Tushworth, Sherry

Depletion of forest resources will accelerate

From Mr Michael Paterson. Sir, The colourful description of the rapidly diminishing Philippine rain forests in Richard Gourey's article (July 20) is in no way misleading, but it provides little analysis of the causes of the malaise.

and in the Philippines this is resort to even faster, and often illegal - logging practices. Finally, where the concessions are controlled by an individual, employees are often recruited more for their loyalty than for their efficiency.

So forest resource is wasted and efficiency is hindered. Many frustrated but excellent Philippine forest product technicians now work in the timber industry in the US, in yet another manifestation of the disastrous third world brain drain.

Michael Paterson, Phillips & Drew, 120 Moorpark, EC2

For General de Gaulle, the late President of France, and Jean Monnet, the visionary, but also highly practical inspirer of European unification, read Margaret Thatcher, Prime Minister of Britain, and Jacques Delors, President of the European Commission. Thirty years on, the protagonists have changed, but the debate is still the same: whether Europe should be a loose grouping of nations or whether it should have an integrated, federalist structure in which most decisions will be supranational. A simple, if momentous choice, subject to a clear political decision - or so some commentators would have us believe.



FOREIGN AFFAIRS

When 'nitty gritty' is not enough

dimension to the problem, with many decisions, other than the sensitive matters of indirect tax harmonisation and free movement of persons, subject to qualified majority voting.

history. But the fiction that, by keeping the decision-making levers in national hands, the Government is retaining full freedom to conduct whatever economic policy it wants, cannot go unchallenged. The economic, fiscal and monetary policy of any medium-sized nation like Britain, which is heavily dependent for its livelihood on trade, is necessarily dictated by the international economic environment and the policies of the bigger and richer trading partners.

Robert Mauthner assesses the British Prime Minister's stance on a united Europe

between the areas in which the Community and the national governments should have the decisive word is entirely arbitrary. To many people's surprise, there was hardly an anti-Europee deep from the Government when, under the Community's competition rules, the Commission reduced by 25% the amount of state aid that the Rover Group would be allowed to receive as a condition of its takeover by British Aerospace. Yet any suggestion that there should be a harmonisation of indirect taxes in the Community, in the interests of freer trade between the member countries, is met with an indignant refusal by the British Government.

That may be so, but instead of consistently underlining the limitations of European unification, one would like to see the Prime Minister embark on a much more positive attitude. To display so little enthusiasm for the political potential not only loses Britain a lot of friends in Europe, but deprives the Community of the momentum for its future development.

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FINANCIAL TIMES

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Hussein hands the reins to PLO

Tony Walker on why Jordan has relinquished its West Bank rights

KING Hussein of Jordan has a reputation among Arab rulers for subtlety. His announcement at the weekend that he was relinquishing administrative and legal responsibility for the West Bank was, on the face of it, a grand gesture both to the Palestine Liberation Organisation and to the elusive dream of Arab unity.

The King could say in his speech, as he did repeatedly, that he was merely responding to PLO demands for independent statehood supported by Arab States, most recently at the Algiers summit in June. But behind these words lay a series of complex factors which persuaded the Arab world's longest-serving ruler to make his somewhat melodramatic pronouncement that Jordan was disengaging itself from the West Bank after 36 years of assuming responsibility for its residents.



Handing over: PLO leader Yassir Arafat (left) is greeted by King Hussein of Jordan at the Arab summit in June

has been drawn in several different directions. He has now indicated he wishes to step back from the front line but not, it must be emphasised, to remove himself from the picture altogether, because Jordan remains central to any resolution of the Middle East dispute.

The King has effectively issued a challenge to the PLO leadership to assume the burden of advancing the cause of Palestinian self-determination within their own lands. It is by no means certain that the PLO, which has not yet formulated a clear peace strategy, is in a position to meet the immediate challenge.

At a more subtle level, it may well be the King's gambit, in the knowledge that Israel and the US will continue to

shun the PLO, that he expects the organisation to fill the vacuum which he helped to create. Some observers have at the back of their minds the thought that King Hussein may have handed Mr Arafat, the PLO chairman, a poisoned chalice.

Many questions have been left unanswered by the King's speech, which provided no details about how a legal and administrative disengagement from the West Bank would work. Will Jordan, for example, continue to issue passports for Palestinians resident in the occupied territories? What is to become of some 24,000 Jordanian employees in the West Bank and Gaza Strip?

Senior Jordanian officials are saying these salaries will be cut and that other measures

will be taken to complete the disengagement. The PLO will presumably be expected to assume some of these responsibilities... if it can.

Observers in Amman wonder if one of the King's aims is to expose the PLO's inability to deliver, either in a constructive fashion on the peace front or to satisfy the practical needs of West Bank and Gaza Strip inhabitants.

The King made clear his lack of enthusiasm for the step he was taking in a highly revealing element of his speech, in which he said: "Once there is a general conviction that the struggle to liberate the occupied Palestinian land could be enhanced by dismantling the legal and administrative links between the two banks, we have to fulfil our duty and do what is required of us."

King Hussein's gamble, from the perhaps artificially high moral ground, is that any negative consequences of his actions will not rebound on him. The challenge to the PLO also provides it with an opportunity.

The challenge for the various PLO factions is to use the opportunity to fashion practical responses, both in the handling of administrative responsibilities and in the formulation of a workable peace formula.

A document circulated recently by Mr Bassam Abu Sharif, one of Mr Arafat's senior advisers, revealed interesting new trends in PLO thinking.

Mr Abu Sharif focused constructively on points of agreement between Israel and PLO. The document's significance was that it was one of the few occasions on which a senior PLO figure had addressed himself so directly to the Israeli polity.

King Hussein, who is a long-term student of the PLO and the constraints under which it operates, would be well aware of the difficulties it faces in seizing the opportunity that has been presented to it.

IRA claims fatal bomb blast at London barracks

By David White in London

POLICE AND military authorities in Britain were on full alert last night after an explosion demolished part of an army barracks in north-west London, killing one soldier and injuring nine.

In a statement issued in Dublin, the IRA later claimed responsibility for the early morning blast, which took place on the site of a two-story barracks in north-west London, which was housing the headquarters of the Ministry of Defence. The barracks was used by the Royal Army Ordnance Corps.

The IRA claim is true it marks the return of the organisation's bombing campaign to the British mainland for the first time since it bombed the Grand Hotel in Brighton during the Conservative Party conference in October 1984. Five people died in that attack, which was directed at the entire British Cabinet.

Last night police, who along with army experts were sifting through the rubble of yesterday's explosion throughout the day, said the explosion was probably caused by "some form of explosive device."

A two-storey red-brick accommodation block at Inghis Barracks, which serves as a post office centre for British servicemen, was demolished.

The Postal and Courier Depot is staffed by about 250 personnel from the Royal Engineers, the Women's Royal Army Corps and the Royal Navy.

Recent IRA attacks have focused on military targets in Continental Europe - with the killing of three RAF men in the Netherlands in May - and in Northern Ireland, where six soldiers died in a bomb blast in Lisburn in June.

Mrs Thatcher, after arriving in Perth, Australia, was "deeply distressed" by the news. Mr Neil Kinnock, the opposition Labour Party leader, called the attack "another act of infamous cowardice by the Provisional IRA."

Kieran Cooke in Dublin writes: In the late 70s and early 80s the IRA spread fear in London and elsewhere with a bombing campaign which included attacks on Chelsea Army Barracks in 1981 and the bombing of the Household Cavalry in Hyde Park, in London's West End, a year later.

These and other attacks caused heavy military and civilian casualties. Since the Brighton attack the security forces have obviously been successfully detecting any possible IRA operations on the mainland.

Intelligence information on IRA members and sympathisers has improved dramatically in recent years and there have been several important convictions of activists.

If yesterday's blast was indeed the work of the IRA it is evidence that a new cell is in operation on the British mainland and is presumably ready to launch another campaign.

The IRA, which will regard yesterday's bombing as a propaganda coup, has stepped up its activities in recent months.

So far this year 12 regular army soldiers and eight members of the Ulster Defence Regiment have been killed in Northern Ireland, more than the total number of army deaths within the province in 1987.

But the IRA has also suffered severe setbacks. In the past 18 months it has lost 22 members, many of whom were its most skilled practitioners of a deadly range of activities.

Three of its top people were shot dead by British SAS commandos in Gibraltar in March while planning the bombing of a military base.

In addition, a series of recent IRA operations have led to civilian deaths and injuries. These include the bombing in Enniskillen, Northern Ireland, last November in which 11 civilians were killed.

Most recently, in what the IRA called a "tragic mistake" three members of a family were killed in a bomb blast on the border with the Irish Republic.

Mr Gerry Adams, head of Sinn Féin, the IRA's political wing, said the IRA "needed to put its house in order". The organisation has clearly been depleted and demoralised by recent events.

Equally obvious is the fact that the IRA is by no means a spent force. The IRA often takes months to plan its operations and yesterday's operation would have been meticulously planned.

Yesterday's bombing is a setback for those in the security forces who felt that intelligence work had defeated any IRA activity on mainland Britain.

THE LEX COLUMN

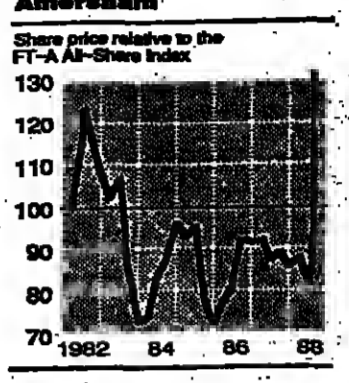
Best foot forward on Wall Street

A meresham

Share price relative to the FT-A All-Share Index

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110
100
90
80
70

1982 84 86 88



It is almost a year since Wall Street reached its all-time high, and after last week's late surge the Dow is close to its 1988 peak. The dollar is once again giving a good indication of a strong currency, US Government long bond yields have hit at least a temporary ceiling of 9 1/2 per cent, and a more confident mood is beginning to creep back into the US financial markets.

But the markets are finely balanced, and although the recent rally in equities and the dollar may still have further to go, it should be treated with more than usual caution. The bull points are an undeniable improvement in the US trade deficit, rising institutional liquidity and better than expected news from the corporate sector, 1988 earnings and dividends are now forecast to grow by 20 per cent and 10 per cent respectively - their best performance in years. However, the marginal slowdown in the US growth rate in the second quarter and the acceleration in the underlying rate of inflation are likely to put further pressure on interest rates before the summer is over.

Against this background, it will be hard for Wall Street to repeat last year's trick of advancing strongly in the face of a weak bond market. Equities are more highly valued, for example, than in the UK, where dividends seem set to grow considerably faster - partly because the UK corporate sector is nowhere near as highly geared. For the moment, the Fed seems to be slightly ahead of the game, and the pause in its monetary tightening should eventually relieve some of the upward pressure on the dollar. But the economy is still growing at an unsustainable pace, and it is hard to see how the authorities can solve the twin problems of the budget and trade deficits without raising taxes and halting the growth in consumer spending - which can hardly be good news for equities.

Irish Distillers

For all the precedents that the EC's intervention in the battle for Irish Distillers may set in shaping European merger policy, it does little to clarify the progress of the bid in question. The EC is objecting to the consortium nature of the bid, whose chief object was arguably to make the takeover

less unacceptable to the Irish Government on monopoly grounds. Even though the Commission is right to argue that a combined bid from the three big drinks companies is anti-competitive to the extent that it makes a counterbid less likely, its interference does not do Irish Distillers shareholders any favours. If, as now seems likely, the bid is blocked in its present form, the three present bidders might well be barred from making independent offers by the Takeover Panel's rules on concert parties. A bidder from another quarter is a possibility, but the trouble Fyfe had recently in selling his 20 per cent stake suggests a shortage of eager candidates. The modest 11p fall in the shares yesterday to 244p may show that the market judges otherwise; more likely, though, the Irish bank holiday and the shortage of information were to blame.

Amersham

Unless somebody knows something, Amersham's shares are starting to look a little risky. After yesterday's 5p rise to 677p, the price has gone up 52 per cent in the four trading days since the cancellation of the Government's golden share was announced. While the resulting multiple of 20 times this year's earnings might not be excessive as an actual bid price, it would be sensible for a bidder to let the excitement die down before moving in.

In any case, Amersham's loss of independence may not be the foregone conclusion it seemed at the outset. As Du Pont discovered six years ago in taking over New England Nuclear - a close rival of Amersham - staff and custom-

ers can be hard to tie down. A hostile bid is scarcely to be thought of, and while an agreed bid would carry its own premium, Amersham still has specific objections to being part of a larger entity.

Doubts such objections could be overcome at a price. For shareholders, though, there is another issue to resolve first. The 15 per cent limit on individual shareholding is now an anomaly, and the temptation may well be to vote it out of the way forthwith. But there is a counter-argument: since a bid launched under the present rules would in effect have to command 75 per cent of the votes, it might have to be pitched higher than one needing only the conventional straight majority. If today's AGM proves the sad state of affairs of former years, it will not be for lack of questions in the minds of shareholders.

Gillette

Corporate raiding is definitely getting to be more like work these days. Yesterday's capitulation by Coniston Partners in the Gillette proxy battle - which could leave Coniston stuck with nearly 6m unmarketable Gillette shares and probably only a meagre profit on the rest of its stake - was scarcely what one would have expected from the firm which brought us the Allegis break-up last year.

With hindsight, it is easy to blame Coniston for misjudging the tenacity of its rival, or overestimating the demand in the market for razor blades companies with twice as much debt as equity. But the fact remains that no bidder has emerged in the six months that the two sides have been disputing the company's future, and yesterday's sharp drop in the share price suggests that time is now awaited.

Demand for companies with three times as much debt as equity - the situation in which Gillette will find itself after spending \$720m buying back its own shares - can be presumed to be limited. But independence will probably do much less for the Gillette share price than for the ego of the company's managers; the shares could settle as much as \$10 or \$12 below the \$45 buy-back price, unless Gillette thinks supporting them is worth another few hundred million.

Jordan 'must take role in West Bank'

Continued from Page 1

makes a previously-scheduled visit to Israel and its neighbouring Arab states later this week. The subject was also likely to come up during talks Mr Murphy was due to hold yesterday with his Soviet counterpart in Geneva.

In an initial reaction to the King's move on Sunday, Mr George Butler, the Secretary of State, echoed politicians from Israel's Labour Party in seeking to give the impression that the "Jordanian option" for negotiations with Israel - the cornerstone of US peace efforts for at least the last six years - is still alive.

He said on American television that the King "has to be a partner" in any peace talks because of Jordan's long land border with Israel. "If there is going to be peace between Israel and its neighbours, then Jordan is involved," he added.

The King's move is however likely to deliver the coup de grace to the already largely moribund peace plan which Mr Shultz took to the Middle East on four shuttle missions this year.

This ruled out an independent Palestinian state - an idea King Hussein explicitly endorsed on Sunday - and

called for an international conference leading to direct talks between Israel and Jordan, without explicit PLO involvement, for the creation of some kind of Jordanian-Palestinian confederation.

The PLO itself reacted cautiously yesterday to the Jordanian move, writes Tony Walker in Amman. The organisation is now engaged in an intense round of consultations in Baghdad to review the implications of the King's announcement.

Mr Bassam Abu Sharif, one of the senior advisers to Mr Yassir Arafat, the PLO chairman,

cautiously welcomed King Hussein's announcement, saying that the Jordanian decision was in line with Arab summit resolutions which had called for an independent Palestinian state.

Meanwhile Israel yesterday accused the Jordanians of being ringleaders of the uprising in the occupied territories to southern Lebanon, writes Andrew Whitley in Jerusalem.

Their expulsion came just hours after King Hussein's speech.

EC takes action on East Bloc chemicals sales

THE European Commission said yesterday it was taking action against companies from the Soviet Union and Bulgaria which it said were selling a chemical to the European Community at unfairly low prices. Reuter reports from Brussels.

The executive body imposed provisional anti-dumping duties on exports of copper sulphate from two companies, one in Bulgaria and the other in the Soviet Union.

Both had previously promised to respect EC pricing for these exports, the commission said.

It had launched an investigation into the exports, it added. Until the inquiry - expected to take several months - was completed, it would apply the provisional anti-dumping duties of 20 per cent of the chemical's price for the Soviet company and 39 per cent for the Bulgarian company.

Copper sulphate, sometimes known as bluestone, is used in agriculture.

According to the commission, the duties were imposed following complaints from CEFCO, the European Chemical Industry Confederation.

Shell and BP ready to produce transport fuel from natural gas

By Steven Butler in London

THE near-monopoly held by crude oil in providing the world's transport fuels is about to be broken by schemes underway at major oil companies to produce petrol and diesel from natural gas.

Shell and British Petroleum, the world's second and third largest oil companies, are pushing rapidly ahead with commercial development of the schemes, which could be producing commercially within 10 years. Transport fuels are vital to the world's economy, for which there is no economic alternative to crude oil as a raw material.

The plans, which would utilise the world's vast, largely untapped, reserves of natural gas, have been made possible by technological breakthroughs which have slashed costs for processes once considered exotic and expensive.

While wide application of the technologies could take decades to achieve, they could affect oil markets more quickly as members of the Organisation of Petroleum Exporting

Countries adjust to the long-term implications of increased energy supplies in the next century.

The technologies promise to increase the availability of relatively non-polluting petrol and diesel fuel at a time when the non-communist world would otherwise be heavily dependent on crude oil supplies from Opec.

Shell is in advanced negotiations with Petronas, the Malaysian state oil company, to develop a gas-to-liquid plant at Bintulu, Sarawak to produce high quality middle distillate products used in diesel and aviation fuel. The plant, which would have a capacity of 12,000 barrels a day and cost about \$500m.

BP says it has developed a new conversion process, which it is keeping secret, at a cost of roughly \$100m. The process would involve cracking ordinary petrol from natural gas and would be competitive at an oil price of less than \$20 a barrel. BP plans to start construction

of a demonstration plant for the process next year that would allow it to test the process on a relatively large scale before moving to full commercial development.

BP has discussed siting of a full-sized plant with several governments in southeast Asia. Construction could begin in 1993 for operation in 1997 of a \$600m plant with a capacity of up to 20,000 barrels a day.

The Shell and BP schemes are aimed at tapping large low-cost reserves of natural gas in areas remote from developed markets. Such reserves exist in southeast Asia, the Middle East, and South America. The Soviet Union also has large reserves of natural gas.

About half the world's hydrocarbon reserves in terms of energy are now in the form of gas. However, oil is being produced at a far greater rate than gas, giving the oil fields a shorter life expectancy.

The petrochemical technologies are an alternative to liquefaction of the gas, which is expensive.



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WORLD WEATHER	
Algeria	19/27
Amsterdam	13/19
Ankara	18/26
Antwerp	15/20
Athens	20/28
Bombay	28/33
Buenos Aires	19/26
Calcutta	28/33
Cardiff	13/19
Chicago	19/26
Copenhagen	15/20
Havana	26/32
Hong Kong	28/33
London	13/19
Lyons	15/20
Madras	28/33
Manila	28/33
Medan	28/33
Metz	15/20
Mombasa	26/32
Moscow	13/19
Paris	15/20
Peking	26/32
Rangoon	28/33
Rangoon	28/33
San Francisco	19/26
Singapore	28/33
Sourabaya	28/33
Taipei	28/33
Tokyo	28/33
Yokohama	28/33

Irish Distillers bid move

Continued from Page 1

Community market, as well as that of the UK and Ireland, one EC official said yesterday.

The next two weeks is likely to see a continuation of intense negotiations between officials of Commission and GC&C, which began in Brussels yesterday. But the Commission aim at this stage appears to be the dissolution of the GC & C consortium and the complete restructuring of any bid for the Irish group.

The Irish Fair Trade Office has been asked by the Irish

Government to review the bid by August 5. It is expected to take the same line as that set out by Mr Peter Sutherland, the Irish commissioner in charge of EC competition policy. Commission officials were, in any case, adamant that their final decision would take legal precedence over any ruling by a member state.

In London, Irish Distillers' shares dropped 1p to 294p yesterday. The Irish stock market was closed for a bank holiday.

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... power ...

A MOVING EXPERIENCE JCB CONSTRUCTION EQUIPMENT

FINANCIAL TIMES COMPANIES & MARKETS

Tuesday August 2 1988

Bryant Group Invest in Quality HOMES - PROPERTIES - CONSTRUCTION

INSIDE Canada unleashes a major power

The Calgary soap opera is drawing to a close. The final episode will see the marriage at long last of the struggling Dome Petroleum to Amoco Canada...

Stakes run high in the bid battle for La Suisse

The battle for La Suisse, Swiss life assurance company, is hotting up. As real and threatened offers for the company fly fast and furious...

Harvesting profits of disaster

The profits of disaster are booming for men like Gary Koehn. He farms 2,400 acres of essentially desert land in northern Texas...

Davy engineers a US deal

Davy Corporation, the British construction and engineering group with worldwide sales approaching £800m...

Muted cheers for new UK budget

A muted cheer rather than a rousing welcome has greeted Britain's long-awaited guidelines on the taxation of financial futures and options...

Charlotte's loan star flies in Texas

NCNB drove a hard bargain in its rescue of First Republic Bank, says Anatole Kaletsky

TOKYO, London, New York, Charlotte? It would still be an exaggeration to suggest that Charlotte is on its way to becoming an international financial centre...

This alone must be the source of some satisfaction for a man who has presided over a doubling of NCNB's assets since he took over in 1983...

NCNB plans to build on London strengths

By David Lascelles, Banking Editor, in London

MR PETER James, NCNB's chief representative in London, said a call on RepublicBank of Dallas London office yesterday morning...

US BANKS

Table with columns: by assets, by market capitalisation. Lists banks like Citicorp, Chase Manhattan, JP Morgan, etc.

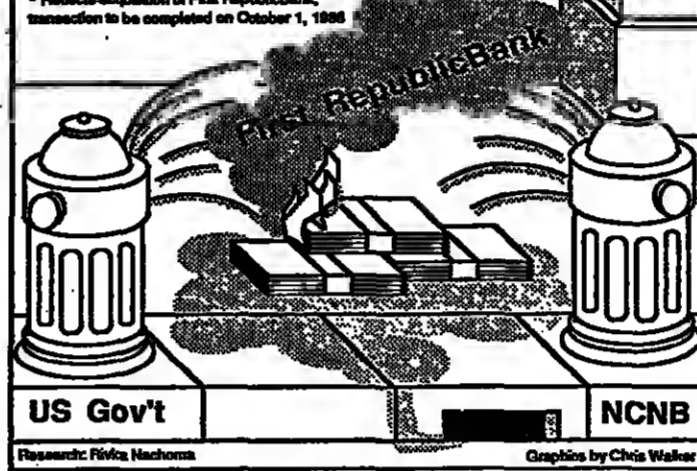


Illustration of First Republic Bank, transaction to be completed on October 1, 1988

the graveyard of so many bankers' ambitions, undermine the foundations of its own success...

Yesterday Mr McColl was busy reasserting a pecked analysts' meeting on Wall Street that he had not over-reached his grasp...

Irish bid a godsend to EC interventionists

By David Buchan in Brussels

With its intervention in the hostile bid by the GC&C Brands consortium for Irish Distillers...

Japan launches Sankyo Seiki dealing probe

By Stefan Wagstyl in Tokyo

THE JAPANESE Ministry of Finance has launched the country's first insider trading investigation since the passage in May of a tough new regulatory code...

Also, stockbroking companies have been tightening their in-house regulations.

The MoF is anxious that Tokyo's reputation as a financial centre should not be harmed by the Sankyo Seiki case...

Business and political figures, including a private secretary to Mr Noboru Takeshita...

The stock exchange investigation into Sankyo Seiki dealings will try to establish whether information was leaked before the agreement was announced...

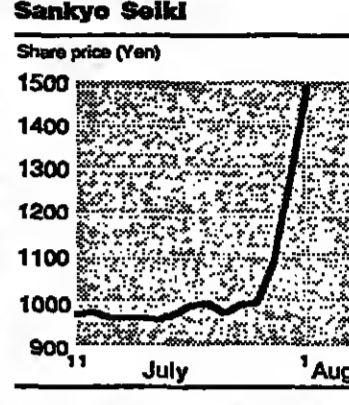
Mr Rokiuchi Yamada, president of Sankyo Seiki, said no information had been leaked.

The company had been strict about controlling information before the agreement with Nippon Steel was announced...

Before that the shares had risen ¥30 to reach ¥7,090 in the morning, as 550,000 shares were traded in the half-day...

Aside from the present controversy for Sankyo Seiki the deal with Nippon Steel marks the end of a long quest for corporate stability.

Under the agreement the steel-maker is buying an 18.1 per cent stake. Although no price was disclosed on the deal, Sankyo Seiki shares resumed trading yesterday...



Share price (Yen) 1500 1400 1300 1200 1100 1000 900 July Aug

day and soared further to close at ¥1,490, valuing the whole of the company at some ¥116.1bn (\$872.5). This is nearly half as much again as its value last Thursday night.

Nippon Steel bought the stake from Tokyo Pigeon, a Sankyo Seiki subsidiary which had purchased the holding in March from Minebea...

Minebea had been stalking Sankyo Seiki for the previous three years in a rare Japanese example of a contested takeover bid.

Japanese insider trading law was revised after a scandal last year surrounding trading in shares of Taisei Chemical, an Osaka chemicals company.

Taisei's main bank sold shares in Taisei just before the company announced big losses in bond futures trading...

Foreign brokers in Tokyo, however, remain sceptical about whether the new laws will change the attitudes of Japanese companies, brokers and investors...

They say that the close links between Japanese finance and industry make it difficult to catch insider traders.

Prosecutions over stock exchange cases are also hard to come by.

Last week, the Tokyo High Court upheld guilty verdicts on four securities company executives and two senior officials of Kyodo Shiro, a food company.

The defendants were all charged with manipulating the price of a new issue.

The company was fined just ¥200,000 and the individuals alleged to be involved received suspended prison sentences.

The charges related to events in 1972.

Market Statistics

Table with columns: Base lending rates, European options ends, FT-A indices, etc.

Companies in this section

Table listing companies like Agache, Alfa, Allied Dunbar, Amoco, etc.

Chief price changes yesterday

Table with columns: BRANCOFT (Doll), PARIS (Franc), NEW YORK (Doll), LONDON (Pence), etc.

Gillette fends off Coniston

By James Buchan in New York

GILLETTE, the big razor and consumer products company which has spent two years fighting the threat of takeover...

In a sudden armistice which caused the Boston company's stock to tumble on Wall Street, Coniston agreed to drop its legal challenge to the victory won by Gillette's management...

The tiny investment firm, which is Gillette's largest stockholder with 6 per cent of the company, also promised not to seek control of Gillette for three years.

Coniston, which has made a success of forcing big companies to re-organise operations or sell off businesses, put a brave face on its retreat.

Gillette has agreed to buy back shares from all shareholders at a small premium to the market and waive agreement with 10 companies...

"It's the best the company can do from a financial restructuring standpoint," said Mr Augustus Oliver, one of three investors who run Coniston.

"And there's still a possibility somebody will make an offer for the company."

The deal caused Gillette stock to fall \$2 to \$88 in early trading as disgruntled takeover speculators sold off holdings.

The buy-back, which involves buying one out of seven shares held by each stockholder for \$45, will cost \$720m and will leave the company so highly leveraged it may not be attractive to a purchaser, analysts say.

Which company

- ...is re-building Reading Station? ...is selling luxury flats in Wimbledon? ...is hiring specialist plant nationwide? ...is working on oil rigs around the world? ...is providing computer personnel in Australia? ...has put the whole of the Electoral Register onto a computer data base? ...has provided share information offices for British Airports Authority, Rolls Royce and British Airways? ...has despatched 75 million pieces of mail in the last year?

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Form with fields for Name, Address, Postcode, Telephone, and checkboxes for Residential Property, Commercial Property, Plant Hire, International Plant Care, Marketing Services, The Group, Construction.

These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

NEW ISSUE

28th July, 1983



Hitachi Metals, Ltd.

U.S.\$240,000,000

4 1/4 per cent. Guaranteed Bonds due 1993

with **Warrants**

to subscribe for shares of common stock of **Hitachi Metals, Ltd.**

The Bonds will be unconditionally and irrevocably guaranteed by

Hitachi, Ltd.

Issue Price 100 per cent.

Nomura International Limited

- | | |
|--|---|
| Sanwa International Limited | The Nikko Securities Co., (Europe) Ltd. |
| IBJ International Limited | |
| Fuji International Finance Limited | Daiwa Europe Limited |
| Yamaichi International (Europe) Limited | Bank of Tokyo Capital Markets Group |
| Barclays de Zoete Wedd Limited | Baring Brothers & Co., Limited |
| Commerzbank Aktiengesellschaft | Credit Suisse First Boston Limited |
| Deutsche Bank Capital Markets Limited | DKB International Limited |
| Robert Fleming & Co. Limited | Kidder, Peabody International Limited |
| Kleinwort Benson Limited | KOKUSAI Europe Limited |
| Merrill Lynch International & Co. | Morgan Stanley International |
| New Japan Securities Europe Limited | Nippon Kangyo Kakumaru (Europe) Limited |
| Salomon Brothers International Limited | Sanyo International Limited |
| J. Henry Schröder Wagg & Co. Limited | Toyo Trust International Limited |
| Union Bank of Switzerland (Securities) Limited | S.G. Warburg Securities |

This announcement appears as a matter of record only.

NEW ISSUE

28th July, 1983



TOYO TIRE & RUBBER CO., LTD.

(Toyo Gomu Kogyo Kabushiki Kaisha)

U.S. \$100,000,000

4 1/4 per cent. Guaranteed Notes due 1993

with **Warrants**

to subscribe for shares of common stock of **Toyo Tire & Rubber Co., Ltd.**

The Notes will be unconditionally and irrevocably guaranteed by

The Long-Term Credit Bank of Japan, Limited

Issue Price 100 per cent.

Yamaichi International (Europe) Limited

- | | |
|---|--|
| LTCB International Limited | Sanwa International Limited |
| Nomura International Limited | ANZ Merchant Bank Limited |
| Commerzbank Aktiengesellschaft | Credit Lyonnais |
| Daiwa Bank (Capital Management) Limited | Daiwa Europe Limited |
| Kleinwort Benson Limited | Leu Securities Limited |
| New Japan Securities (Europe) Limited | The Nikko Securities Co., (Europe) Ltd. |
| Salomon Brothers International Limited | J. Henry Schröder Wagg & Co. Limited |
| Smith Barney, Harris Upham & Co. Incorporated | Société Générale |
| Soenska Handelsbanken Group | Taiyo Kobe International Limited |
| Toyo Trust International Limited | Union Bank of Switzerland (Securities) Limited |

INTERNATIONAL COMPANIES AND FINANCE

Amoco clears last Dome hurdle

The thoughts of Scottish-born Mr Howard Macdonald, chairman of Dome Petroleum, are beginning to stray to his home in the UK stockbroker belt as the protracted tussle over Amoco's takeover of his company appears to be drawing to an end.

The recent endorsement by the Alberta Court of Queen's Bench of Amoco Canada's \$5.5bn (US\$4.8bn) takeover plan for the debt-laden Calgary energy company removed the last major hurdle blocking the proposed merger.

Amoco now expects to close the deal by the end of September. This would conclude what has become a particularly tortuous corporate coup opera and leave Mr Macdonald free to return to home in the south of England.

The court ruling ends 15 months of legal wrangling in which - slowly but surely - secured and unsecured creditors, a large majority of shareholders and the Canadian Government have been persuaded to back Amoco's offer.

Since Dome's main lenders persuaded Amoco last November to increase its original \$5.5bn bid, the two parties have endured a series of court challenges by shareholders claiming more money or a stake in the new company.

According to some estimates, overall legal costs have averaged \$25m a month since April 1982 when the takeover agreement was struck.

Technically, the judge's decision is subject to appeal and indeed may be challenged by Mr Abdulrahman Frenji, a businessman, who claims to have made a higher offer than Amoco for Dome.

In addition, a troublesome outstanding \$400m loan, which the lenders - Japan's Arctic Petroleum - are unwilling to write down, could still scupper the proposed takeover. Realistically, however, few expect Amoco to be thwarted.

Under the terms of the deal, secured creditors (who are owed \$3.4bn) will receive 85.4 cents for each dollar due to them, while unsecured creditors (owed \$2.1bn) will have

located on properties where Dome has an interest.

The acquisition will significantly increase the importance of natural gas to Amoco, transforming the Chicago-based parent company into the richest holder of natural gas reserves in North America. After the deal is completed, the corporation's reserves will consist of some 52 per cent natural gas and 48 per cent oil. This compares with a ratio of 40 per cent gas to 60 per cent oil 10

The \$5.5bn takeover of Canada's largest energy group is now expected to be completed by the end of September, after more than 15 months of legal wrangling, writes DAVID OWEN, recently in Calgary

to make do with 45 cents. Dome's common shareholders, who paid as much as \$25 a unit for their stock, will get US\$ 1.16 a share in Amoco securities. Preferred shareholders will receive US\$ 5.50 a share.

On the basis of barrels of oil equivalent, the transaction will create the largest energy producer in Canada. In total, the new company will produce approximately 125,000 barrels of oil, 75m cu ft of gas and 2,000 tonnes of sulphur daily. It will have 5,800 employees, net land holdings of some 14m acres, assets of some \$2bn and annual revenues of close to \$3bn.

The takeover will complete the demise of a 39-year-old company which was undone by too many debt-financed acquisitions and a high level of debt which resulted in a fall in oil prices.

In retrospect, perhaps the biggest single blunder was the \$1bn purchase in 1981 of Hudson's Bay Oil and Gas. According to the company's latest quarterly report for the period ended March 31, Dome's overall liabilities have now reached \$36.6bn.

years ago. In total, Amoco will be buying 212m barrels of oil and three trillion (million million) cu ft of gas in proven reserves.

In the longer run, however, Dome's most valuable asset may prove to be its vast 11.5m-acre undeveloped land holding. Amoco, which is shortly to move to new premises in Calgary, is essentially banking that these properties will yield significant marketable reserves. Dome's drilling programmes have for several years been impeded by its debt problems.

It will be some time before Amoco knows whether its gamble has paid off in the meantime. Mr Don Stacy, Amoco Canada president, has indicated that the company expects to raise about \$1bn from property and investment sales. These would include the disposal of Dome's 8 per cent stake in Fluor Dome, the largest western world gold pro-

cessor and distributor, has acquired two distributors of health foods products in the US for an undisclosed price.

It purchased Gourmet Foods, of St Paul, Minnesota, and Award Foods, of Dallas, from their unidentified sole shareholder. The two US companies produce and market a wide range of branded health food products and operate delicatessens in the midwest and southwest US.

Their consolidation into Wessanen's annual accounts will have "a favourable impact on the Dutch parent's annual earnings as well as worldwide sales."

The acquisitions are in line with Wessanen's stated intention of expanding internationally, notably in the US, where the company already derives about 35 per cent of its \$1.27bn (\$1.75bn) a year in worldwide sales.

Pullman in \$650m buyout

By Our Financial Staff

THE PULLMAN Company, a leading maker of truck trailers, has agreed to a \$650m buyout by Forstmann Little & Co, a private US investment firm. An earlier agreement for a takeover by a management-led group has been dropped.

The pact involves a cash payment of \$9.25 a share for Pullman's 41.9m outstanding shares, plus the assumption of existing debt and expenses which will bring the total price of the buyout to about \$650m. The transaction is fully financed and is not subject to a financing condition.

Wessanen in US acquisitions

By Our Financial Staff

INTERNATIONAL Business Machines' strategy for rebuilding its share of the market for mid-range computers is proceeding better than expected, according to a senior executive at the world's largest computer company.

In June, IBM launched a new line of mid-range computers - the AS/400 - with the aim of fighting back at rival manufacturers such as Digital Equipment of the US, which has been particularly aggressive in this sector of the market.

IBM's new range in demand

By Hugo Dixon

charge of the worldwide operation of the AS/400 range, said in London yesterday that orders for the new machines were running ahead of expectations and many customers were ordering machines from the more powerful end of the range.

Mr Grabe said 80 per cent of the orders were for the more powerful varieties, compared with the 40 per cent that the company had expected. Most of the orders would turn into actual sales, because over 80 per cent of customers had said

Rising costs hit Gould profits

By Our Financial Staff

GOULD, the US computer and electronic products group, saw second-quarter earnings decline as lower results from its electronic systems and higher net interest expenses offset progress elsewhere in the group.

Second-quarter net operating earnings came out at \$8.8m or 15 cents a share, compared with \$11.2m or 25 cents, last time. Revenues advanced to \$196.4m from \$189.8m.

At the halfway stage net operating earnings were down at \$17.7m or 39 cents, against \$18m or 43 cents, on revenues of \$403m, up from \$373m.

Printworker fired over magazine leak

By Our Financial Staff

R.R. DONNELLEY & Sons has fired one employee at its Old Saybrook, Connecticut printing plant and suspended another as a result of its investigation into a disclosure of confidential stock activity linked to Business Week magazine articles, AP-DJ reports from Chicago.

Donnelley also said it had suspended an employee in its Torrance, California, printing plant in connection with the investigation. The employees were identified.

Provigo in Californian deal

By Robert Gibbons in Montreal

PROVIGO, Canada's second largest food distributor after the Weston group's Loblaw, is buying 15 Californian supermarkets from Lucky-Alpha Beta.

The price was not disclosed but it is estimated to be around US\$30m. Lucky-Alpha Beta, which was created following the takeover of Lucky Stores by American Stores, the third largest US food retailer, in May. Lucky operates about 600 supermarkets the majority of which are in California.

Printworker fired over magazine leak

By Our Financial Staff

operating earnings were down at \$17.7m or 39 cents, against \$18m or 43 cents, on revenues of \$403m, up from \$373m.

The year ago earnings included dividend income from preferred stock and a gain from the sale of real estate, both non-recurring items.

Gould said the decline in information systems revenue and earnings, which make up the electronic systems segment, was primarily the result

Printworker fired over magazine leak

By Our Financial Staff

of softness in domestic computer demand.

The instrument systems segment, however, recorded higher earnings on increased revenue while similar progress in the electronic components segment mainly reflected a significant improvement in the semiconductor business.

The company said new orders in the second quarter were \$205.1m, about 14 per cent higher than the \$180.2m in the 1982 second quarter.

Printworker fired over magazine leak

By Our Financial Staff

The move came after a production worker at the Connecticut plant admitted furnishing advance copies of Business Week's Inside Wall Street column to a hedge fund investor with Merrill Lynch & Co's New London, Connecticut office.

Last Friday, Prudential-Bache, the Wall Street investment firm, fired one broker and advised a smaller brokerage, suspended a second in connection with advance leaks of Business Week stock tips.

Rising costs hit Gould profits

By Our Financial Staff

been trying to expand an existing wholesaling operation in northern California into retailing, and analysts had feared it might attempt an acquisition difficult to digest.

However, early this year Provigo made clear it would move step by step and bought 11 supermarkets in San Francisco for an estimated US\$25m.

The two retail acquisitions represent retail sales of around US\$250m. Together with the wholesaling operation and retail services to independent

Printworker fired over magazine leak

By Our Financial Staff

operators, Provigo's total food distribution volume in California will be about US\$65m, and it is expected to make further small acquisitions.

In its latest year Provigo earned \$67.22m (US\$6m) or 30 cents a share on total volume of \$6.4m.

Glaverbel of Belgium, in partnership with a Canadian group, is to build a \$140m flat glass manufacturing plant near Quebec city with capacity of 500 tonnes daily and due onstream in 1992.

NORTH AMERICAN QUARTERLY RESULTS

GROUP	QUARTER	1982	1983
AMCO PRODUCTS (Teletics, cosmetics)	Second quarter	752.9m	640.2m
	Op net income	37.4m	36.2m
	Op per share	0.89	0.88
	Six months	1.42m	1.19m
MILLYN (Textiles)	Second quarter	1.47m	1.21m
	Op net income	115.9m	48.2m
	Op per share	2.07	0.82
	Six months	3.05m	3.01m
SANTA ANA LINES (Airline)	Fourth quarter	\$	\$
	Op net income	105.2m	58.4m
	Op per share	4.11	2.13
	Year	6.92m	5.29m
NORTHWEST AIRLINES (Domestic carrier)	Second quarter	206.0m	185.5m
	Op net income	8.7m	5.45m
	Op per share	1.15	0.88
	Six months	37.8m	34.7m
MARLEY-DAVIDSON (Motocycles)	Second quarter	204.0m	155.5m
	Op net income	6.7m	5.45m
	Op per share	1.15	0.88
	Six months	37.8m	34.7m
ST PAUL COMPANIES (Insurance)	Second quarter	490.5m	582.2m
	Op net income	1.5m	7.1m
	Op per share	1.59	7.13
	Six months	1.75m	1.44m
WALSH LABORATORIES (Office equipment)	Fourth quarter	\$	\$
	Op net income	62.2m	5.8m
	Op per share	3.08	0.29
	Year	5.07m	2.89m

INTERNATIONAL COMPANIES AND FINANCE

Unprecedented battle of La Suisse suitors

John Wicks reports on the continuing fight over a Lausanne insurance company

LAST WEEK'S announcement of an increased bid for La Suisse, the Lausanne insurance company, by Mr. Tito Tettamanti's Saurer-Gruppe Holding means the continuation of an unprecedented battle on the Swiss stock market.

The latest in a round of public offers, this represents a price of SFr672m (\$433m) if all shares are acquired - a sum well in excess of La Suisse's gross annual premiums and more than 23 times the expected 1988 earnings.



Tito Tettamanti: logical consequence of expansion

At first glance, this might seem an excessive development. La Suisse last year ranked as Switzerland's eighth biggest life insurance company

and in only 15th place as a non-life insurer. Combined 1987 premiums for the life-assurance parent and its non-life subsidiary were a relatively modest SFr2.9bn.

between SFr12,800 and SFr13,200, a figure which complies with the Swiss theory that insurance companies' premium income per share is close to material assets value.

also feels shares a corporate philosophy. It is not yet clear who will win the day. La Suisse's board continues to back the Swiss Life bid despite Saurer's having topped the ante and the fact that Swiss Life has said SFr12,000 is its last word.

Sulzer buys Bingham for \$60m

By Nick Garnett

SULZER, the Swiss equipment company, is pushing into the US pump market, following its purchase of Bingham International, a large US pump manufacturer.

The purchase confirms Sulzer as the second largest European-based pump maker, after KSB of West Germany.

Sulzer is believed to have paid Bingham's parent, the Californian group Guy Atkinson, between \$60m and \$70m.

Bingham, which employs 700 and manufactures a range of pumps, especially for the oil and nuclear power-generation industry, has annual sales of about \$70m.

A series of acquisitions in the past few years has tended to concentrate power in a few number of large pump makers.

Recent ownership changes have included KSB's purchase of Pumps Guinand in France, the acquisition of Pleuger in West Germany by Dresser of the US, and Weir's purchase of another UK-based company, Mather and Platt.

Baer income exceeds target

By William Dufforce in Geneva

BANK JULIUS Baer, the Zurich-based bank, has forecast a "satisfactory" 1988 result after reporting that income in the first six months exceeded its "ambitious" budget target.

The balance sheet total climbed by 16 per cent to SFr3,383m (\$2,187m) during the six months. Capital and reserves increased from SFr2,244m to SFr3,099m.

Cyrl J. Smith, Vice President & Secretary, PANHANDLE EASTERN CORPORATION, P.O. Box 1642, Houston, Texas 77251-1642.

HALIFAX BUILDING SOCIETY advertisement with logo and contact details.

Agache to boost LVMH position through Dior

By George Graham in Paris

MR BERNARD ARNAULT, chairman of Financière Agache, is on the point of reinforcing his position in Moët-Hennessy-Louis Vuitton LVMH.

Mr Arnauld, who together with Guinness, the UK drinks group, has built up a 27.7 per cent stake in LVMH over the past month and is steadily climbing towards 30 per cent.

Dior will also receive Agache's 80 per cent stake in Jacques Robert, the company created with Guinness to hold their joint stake in LVMH.

PHILIPS, the Dutch-based electronics group, yesterday announced a further tightening of control over its North American Philips (NAPC) subsidiary.

The Eindhoven-based multinational said it named Mr Gerit Jeelof chairman and chief executive of NAPC, a wholly owned subsidiary, effective September 1.

As part of the reorganisation, Philips said it had also created a new unit, Consolidated Electronics, which will include electromechanical products, tooth brushes and medical brushes.

Ical shuns rival's A\$53m bid

By Bruce Jacques in Sydney

THE BATTLE for control of Australia's strategic naval shipbuilding capacity took another turn yesterday with directors of Ical, formerly an offshoot of the UK-based International Combustion group, strongly rejecting a A\$53m (US\$42.7m) bid.

The offer comes from Ical's industry rival, the privately owned Transfield group. At stake is control of the Williamstown dockyard in Victoria, a former naval establishment recently privatised by the Federal Government.

Ical directors released an independent report from Partnership Pacific, a merchant bank, valuing the company's shares at between A\$2.64 and A\$3.12, well above the A\$2.35 offered by Transfield.

FFr105,300 each. The operation will release more than FFr2bn, on top of the FFr2bn cash Mr Arnauld still retains, and could be used to increase the Agache stake in LVMH.

At the same time, Mr Arnauld appears to have strengthened his position in LVMH through a new distribution of board seats.

The management board is expected to include at least four members: Mr Alain Chevalier, chairman of LVMH and leader of its drinks faction; Mr Henry Racamier, vice chairman and head of the Vuitton clan; Mr Jean-Louis Masurel,



Gerit Jeelof: new chairman of Philips' North American subsidiary

Philips said the new US company would include a number of North American Philips businesses whose activities are unrelated to Philips products, as well as its defence systems division.

GOTHENBURG & WEST OF SWEDEN

The Financial Times proposes to publish this survey on:

16th September 1988

For a full editorial synopsis and advertisement details, please contact:

Chris Schanning on 01-248 8000 ext 3699

or write to him at: Bracken House, 10 Cannon Street, London EC4P 4BY

FINANCIAL TIMES LONDON'S BUSINESS NEWSPAPER

group managing director, and Mr Arnauld. Mr Racamier, who has continued to express his worries about an eventual takeover of LVMH's drink interests over its luxury goods operations, refused the chairmanship of the supervisory board, which is, none the less, expected to be chaired by a Vuitton representative.

The likely composition of the 12 member supervisory board is described as evenly balanced between three camps: Arnauld, Moët-Hennessy and Vuitton.

Mr Bernheim, a long-standing adviser of Mr Arnauld, is expected to be one of his representatives on the supervisory board.

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THORN EMI plc advertisement with Morgan Grenfell logo and contact information.

TNT advertisement for TNT Pacific Finance Limited, offering 9% Guaranteed Subordinated Convertible Bonds Due 1998.

GOTHENBURG & WEST OF SWEDEN advertisement for a survey on the company.

PENNINE RESOURCES PLC advertisement for an introduction to the Third Market of 15,300,000 Ordinary Shares of 25p each.

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

Liffe gives taxman a muted cheer

Dominique Jackson on Revenue guidelines for futures and options

A muted cheer rather than a rousing welcome has greeted long-awaited Inland Revenue guidelines on the taxation of financial futures and options.

Many UK pension funds, insurance companies and unit trusts had been awaiting a statement of practice from the tax authorities before moving to increase their use of futures and options.

Since last October's equity crash, the market has been far more risk-aware and, despite an inevitable post-crash setback, institutional interest in derivatives is now increasing dramatically.

A widely held goal is to have futures and options accorded symmetry of tax treatment with the securities and instruments which underlie them - a step which many point out would greatly simplify the whole taxation process at the same time.

European financial centres in the interim. Since the derivatives markets first started in London - traded options a decade ago and financial futures trading in 1985 - UK institutions have held back from large-scale participation. This was largely because the distinction between hedging transactions - considered capital in nature and thus tax-exempt for the institutions - and speculative trading, which would be liable to income tax, remained unclear.

The blurred distinction between hedging and speculation arises to some extent from early associations between futures and options trading and gambling. In West Germany, although futures and options trading is scheduled to commence next year, the development of derivatives markets has been markedly slowed by uncertainties over the potential infringement of gaming laws.

Several UK market bodies, ranging from the London International Financial Futures Exchange, the Stock Exchange and the main traded options brokers to the National Association of Pension Funds, have waged a long campaign for clearer rules in line with the fairly straightforward guidelines currently in force in countries such as Paris and Amsterdam.

After more than two years of talks, the tax authorities' statement effectively delineated where the Revenue stands on the more visible areas of derivatives trading. It gives a definition of a hedging transaction and lists other transactions which are likely to be regarded as capital in nature.

"It is most welcome to see some kind of response from the authorities," commented one senior fund manager. "This finally clarifies their position on hedging and will no doubt open the way to more efficient risk management for many institutions." Up to now, insti-



Michael Jenkins: 'no mention of anticipatory hedging'

These include: buying a foreign currency future before the purchase of an asset denominated in that currency or the purchase of an option in respect of an underlying asset as the first step towards acquiring the asset itself.

Investors in gilts or in the stock market may sell gilt or index futures to safeguard the value of their capital investment against a drop in the cash markets.

Japan Air Lines plans Y100bn share offer

By Our Financial Staff

JAPAN AIR Lines, which last month announced plans to buy 15 Boeing 747-300 jets for around \$280m, is to raise some Y100bn (\$750m) through a public issue of equity shares.

Together with a scrip issue, the airline is to offer 7m shares for public subscription next month. The shares, which closed at Tokyo yesterday at Y14,400, will be priced in line with market prices on August 25.

JAL, which moved back into profit last year, said the share issue was aimed at improving financial strength. It said the financing would lift shareholders equity to 35 per cent from the present 16 per cent.

The issue represents JAL's first attempt to tap investors in the Tokyo market since following December's privatisation of the airline. It said the Japanese Government put some \$55m worth of JAL shares on to the stock market via the sale of its residual share stake.

After a period of losses, the airline last year showed group net earnings of Y19.4bn following an 11 per cent increase in revenues. It paid its first dividend for three years.

Secondary trade on hold as holiday season arrives

By Dominique Jackson

Trading in the US dollar denominated bond markets was also quiet with dealers awaiting tomorrow's details of the Treasury refunding and Friday's US unemployment report which will furnish the first economic data from July.

The primary market was also quiet, as Barron's International launched TMC Mortgage Securities No. 3, a \$200m floating-rate note with a final maturity of 2018 and an average expected life of 7.2 years.

The lead manager said the issue was seeing good demand and traded within a margin of 50 basis points. The issue features a call option after five years at par.

The NYSE aims to provide prompt disclosure of the percentage of program volume and system traffic.

The NYSE had previously announced that, beginning with July data, it would release a monthly analysis of program trading.

switching between seasoned securities and into new paper now seem.

INTERNATIONAL BONDS

average expected life of 7.2 years. The par-priced issue will pay interest at a rate of 3 3/4 per cent (hundredths of a percentage point) over three-month London interbank rate for the first 10 years and thereafter a margin of 50 basis points.

The lead manager said the issue was seeing good demand and traded within a margin of 50 basis points. The issue features a call option after five years at par.

switching between seasoned securities and into new paper now seem. The Japanese equity warrant sector remained quiet as the lead managers' temporary moratorium on new issues appeared to hold up. New Japan Securities fixed the terms on its recent five-year issue for electrical retailer Matsuyama with the coupon set at 4 1/4 per cent, as indicated.

India to launch \$100m fund for US investors

By R.C. Murthy in Bombay

INDIA IS to launch a \$100m mutual fund, India Growth Fund, which will allow US residents to invest in Indian securities.

The fund, to be managed by Merrill Lynch and Nomura Securities, will be listed on the New York Stock Exchange. It will be closed ended and 80 per cent of funds will be invested within Indian equities.

The manager, Unit Trust of India (UTI), the country's largest mutual fund group, India Growth is its second international fund: the first, the \$75m India Fund, was launched from the Channel Islands two years ago.

Indian stock markets are not directly open to foreign investors. The market capitalisation of the country's 15 stock exchanges is around \$212bn.

Hong Kong jetfoil operator 79% ahead

SHUN TAK Enterprises, the Hong Kong listed company which provides jetfoil services between the colony and the nearby Portuguese territory of Macao, reports a pre-tax profit of HK\$284.9m (US\$10.9m) for the first half of 1988, an increase of 79 per cent.

Turnover rose 21 per cent to HK\$289.2m, writes Our Hong Kong Correspondent. Shun Tak, which is headed

by Mr Stanley Ho, the casino owner, ferries passengers to and from his casinos in the gambling haven of Macao. The jump in profits largely due to heavier jetfoil traffic following the relaxation of immigration requirements allowing travel to Macao using only a Hong Kong identity card instead of a passport.

Some 3.8m passengers were carried by Shun Tak jetfoils during the half year.

Mr Ho said that strategic moves had been made in order to diversify the company's activities. A joint venture has been formed with a Taiwanese partner to run a ferry service between Macao and Taiwan, starting later this year.

Shun Tak has also formed a joint venture data processing service after buying a stake in Semi-Tech, a microelectronics company.

(Far East), in addition to purchasing land on Hong Kong island for the development of a luxury apartment block.

After last October's stock market crash Shun Tak cancelled a planned rights issue. Mr Ho said that 66 per cent of the warrants issued instead have now been converted into Shun Tak equity, providing the group with surplus funds of more than HK\$455m.

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday August 1. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Table with columns: COUNTRY, ESTG, US \$, D-MARK, Yen (100), and various exchange rates for countries including Afghanistan, Albania, Algeria, etc.

Table with columns: US DOLLAR STRAIGHTS, YEN STRAIGHTS, OTHER STRAIGHTS, CONVERTIBLE, SWISS POUNDS, and various exchange rates for currencies like Australian \$, Belgian Franc, etc.

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UK COMPANY NEWS

Farmers to contest bid clearance

By Nick Barker

FARMERS GROUP, the US insurer. Yesterday placed another potential obstacle in the path of the hostile \$4.5bn (£2.6bn) bid from the UK's BAT Industries with the news that it plans to appeal in the Arizona courts against a June 3 decision by state officials to give the bid regulatory clearance.

proposed acquisition. In a statement apparently signalling its intention of continuing its stiff resistance to BAT in the nine states where approval is needed from local insurance commissioners, Farmers added that it foresaw "substantial regulatory problems" still ahead of the British group.



Patrick Sheehy, chairman of BAT Industries

Friday's decision was part of a mixed bag of developments in several states where regulators are considering the bid. The next key piece of news is expected at the end of this week, however, when Judge Kurt Lewin of the California Superior Court in Los Angeles is likely to rule on BAT's appeal about a state insurance department decision to refuse permission for the acquisition.

Allied Dunbar sets up mortgage company

By David Barchard

ALLIED DUNBAR Mortgages has set up a company to specialise in securitised mortgages for the self-employed, controlling directors, and others who may have difficulty in obtaining mortgages from other institutions which are commensurate with their gross incomes.

gave from SRF will be around \$60,000 though the company will be willing to issue much smaller mortgages, especially in parts of the UK where house prices are below the national average.

HMC yesterday. "Mortgage services for them should be highly competitive."

Expanding Ashtead advances to £3.15m

By Vanessa Houldier

ASBTEAD GROUP, USM-quoted plant hire company, more than tripled pre-tax profits to £3.15m (£1.02m) in the year to April 30. The results, which were slightly better than expected, left the share price unchanged yesterday at 520p.

increase in margins. The three acquisitions made during the year, which helped Ashtead increase its number of depots to 29, were also successfully integrated, Mr Lewis said.

fast-expanding market share. Ashtead has already caught the eye of the City. And with analysts expecting profits of at least \$4.5m this year, their enthusiasm is duly reflected in a prospective multiple of 14.

Property sales give Caird finance for re-investment

By Andrew Taylor

CAIRD GROUP has agreed to sell off most of its property investment portfolio so that it can concentrate on its growing waste disposal and environmental services operations.

Alba gains French hold. ALBA, the consumer electronics group, has moved to secure a pre-1992 presence in Continental Europe with the acquisition of 96 per cent of its French distributor, Teletronic SA for an initial cash consideration of FF1.1bn (£1.6bn).

Stanley Leisure in £2m purchase. Stanley Leisure Organisation, betting office and casino operator, is buying Greyform Publications and Evans and Marland. Greyform distributes and Evans and Marland writes a daily newsheet on greyhounds for most of the UK's licensed betting shops.

GRANVILLE SPONSORED SECURITIES. Table with columns: High/Low, Company, Price, Change, Div (p), Yield, P/E. Lists various companies like Asst. Brit. Ind. Ordinary, Asst. Brit. Ind. GUS, etc.

The next best thing to tomorrow's share price page. 0898 12 12 40/41. Leading shares A-K/L-Z respectively. CITYCALL.

Flextech back in the black with £314,000

Flextech has returned to profits with £314,000 pre-tax for the 10 months to March 31 1988 against a loss of the previous 12 months of £288,000. Earnings per 10p share for this USM-quoted company were 0.29p, compared with losses of 2.03p.

COMPNY NEWS IN BRIEF

BOWTHORPE HOLDINGS is acquiring 91.67 per cent of Elbomec SRL, Italian manufacturer of heat transfer devices, for £985,000 cash. COMMERCIAL BANK OF THE Near East pre-tax profit dropped from £502,952 to £206,562 in the six months to June 30 on gross income of £1.55m (£1.58m).

Park Food decreases

Park Food Group, which packs and supplies hampers, reported a downturn in pre-tax profits from £2.62m to £2.28m in the year to March 31 1988, despite an increased turnover of \$92.1m against \$89.54m.

Kingsgrange

Kingsgrange, the toiletries manufacturer, has just beat the forecast of pre-tax profits for the year to April 30 not in excess of £165,000. The result of £170,000, was a substantial drop from the £1.34m of last time, the flotation forecast of £1.6m and the £1.12m achieved in the first half.

MONTHLY AVERAGES OF STOCK INDICES

Table with columns: Index Name, July, June, May, April. Includes Financial Times Government Securities, Fixed Interest, Ordinary, etc.

Sherwood Computer warns of interim loss

By David Cohen

SHERWOOD COMPUTER Services, Romford-based computer bureau and software house, yesterday warned the market that problems at two recently-acquired companies would cause an interim pre-tax loss to June 30 of about £1.5m.

Saville Gordon rises by £1m. J Saville Gordon, metal and engineers' merchant, property investor and securities dealer, showed turnover of £70.5m against £46.52m and pre-tax profit of £6.02m compared with £5.04m for the year ended April 30 1988.

Saatchi spends up to £3m on UK media independent

By Philip Rawstone

SAATCHI & SAATCHI, advertising and communications group, has bought Ray Morgan & Partners (RMP), one of Britain's leading media independents. The deal, announced yesterday and worth between £2.4m and £3m, marks an important step forward in Saatchi's plans to centralise its media planning and buying operations.

Stonehill second half recovery. STONEHILL, the troubled furniture maker which was subject to a Tranwood Earled consortium bid last September, yesterday announced a £94,000 loss before tax in the 12 months to April 3. This compared with a £2.34m deficit in the previous year.

PHILIPS Half-Yearly Statement to 30th June 1988. Report on the course of business of the Philips group. In the first six months of 1988 the volume of sales increased by 9% compared with the corresponding period of 1987.

PHILIPS Half-Yearly Statement to 30th June 1988

Report on the course of business of the Philips group. In the first six months of 1988 the volume of sales increased by 9% compared with the corresponding period of 1987. Sales expressed in guilders rose by 5% to f 25,462 million.

Table with columns: Amounts in millions of guilders, 1988, 1987, 1988, 1987. Rows include Net sales, Income from operations, etc.

At the end of June 1988 inventories stood at 26.0% of sales, compared with 26.4% at the end of June 1987. The number of employees has fallen by 4,800 since January 1, 1988.

UK COMPANY NEWS

Sears shares fall 6p as Fraser denies sale of 10% stake

Shares in Sears, the retail group which includes Selfridges, William Hill betting shops and the Mappin and Webb Jewellery chain, slipped 6p to 132p yesterday as House of Fraser denied press speculation that it had sold its 10 per cent share stake, writes Nikki Tait.

Fraser, which is owned by the Egyptian Al-Fayed brothers and takes in Harrods, added that it considered its holding to be "a first-class investment." The Al-Fayed's interest was acquired last December - the bulk of it from an 8 per cent interest in Sears built up by the Australian Bell Group and sold on to Fraser.

Yesterday, Mr Geoffrey Maitland Smith, Sears' chairman, said the announcement had been made at Fraser's own volition, but he had been notified yesterday morning of its contents. Fraser, he said, had told him it regarded the stake as a long-term investment. Asked about any approaches to Sears recently, Mr Maitland Smith added that there had been "absolutely none - tentative or firm."

Standard Chartered streamlines

Standard Chartered has dropped one of its two auditors only two months after the annual meeting at which it asked shareholders to approve the appointment of both firms for another year, writes Richard Waters.

Deloitte Haskins & Sells will no longer have any involvement with the holding company's audit, but it will however, continue to audit a number of subsidiaries and branches of the bank. Peat Marwick McLintock becomes sole auditor of the main company.

Mr Richard Stein, finance director, said neither the removal of Deloitte nor the timing of the move was caused by disagreement between the bank and the auditors. This was confirmed by Deloitte.

The move was intended to introduce greater efficiency by doing away with the need to consult two firms in circumstances where only one was needed, said Mr Stein. It would save "several tens of thousands of pounds" of the annual audit bill, which last year amounted to £2.1m, he said.

Deloitte and Peat have been joint auditors of the bank since it was created by the merger of the Standard and Chartered banks in 1985.

Blue Arrow stake

County NatWest, the investment banking arm of National Westminster Bank, confirmed yesterday that it had no plans to sell its 9.4 per cent stake in Blue Arrow, the employment group, "for at least the next 12 months."

County picked up the stake during Blue Arrow's \$1.3bn (£760.2m) takeover of Manpower, US employment group, last year, when it underwrote a \$31m rights issue.

Fraser that County might sell its holding have undermined confidence in Blue Arrow's shares, which, despite rising 3p to 100p yesterday, are still well below the 165p at which the rights were offered.

Berisford meat sale

S & W Berisford, the commodities, property and financial services group, is selling City Meat Wholesalers, its loss-making meat wholesaling subsidiary, to ABP Holdings. Consideration has not been disclosed, but is likely to be in the region of £1m to £2m.

Berisford has owned City Meat for approximately 10 years. According to Mr Barry O'Connor, Berisford's company secretary, the subsidiary has not made a profit "in living memory." In its last financial year, it is thought to have made a pre-tax loss of some £2m on turnover of £5m.

ABP is part of Goodman International.

Bibby US packaging side being sold to management

By Andrew Hill

J. BIBBY & SONS, the agricultural and industrial conglomerate, has finally negotiated the sale of its US packaging division, but for less than the original asking price of \$130m (£76m).

Princeton Packaging is to be sold to its management for \$105m, nine months after Bibby proposed the sale of the flexible packaging operation to a US rival.

The UK group had won shareholder approval for the sale to James River Corporation, but in February the Federal Trade Commission blocked the plan because it would have given James River 50 per cent of the US market in polythene bags used to package bread and frozen food.

"This time the chances of the deal not going through must be very slight," said Mr Richard Mansell-Jones, chairman of Bibby, which is 86.5 per cent owned by Barlow Rand of South Africa.

The disposal, which includes Princeton's small retail packaging division, will take Bibby out of the US packaging market altogether, reducing US



turnover by about 65 per cent on last year's figures.

Proceeds of the deal should cancel Bibby's borrowings, which stood at about 17 per cent of shareholders' funds at the September year-end.

Bibby will receive about \$58m in cash from the sale, \$42m as repayment of intra-group debt and \$5m in the form of an unsecured loan note. The terms are broadly the same as those of the original deal.

Mr Mansell-Jones said the

Virgin buys LWT stake in Super Channel

By Raymond Snoddy

Mr Richard Branson's Virgin Group yesterday increased its stake in Super Channel, the European satellite television channel, as London Weekend Television bowed out.

Virgin Communications said it had bought LWT's remaining shares in the venture, thereby raising its stake from 28 per cent to 55 per cent.

LWT received little more than £100,000 for its stake in the low-rating channel and the venture has cost it a total of £25m.

Apart from Virgin, four of the 14 ITV companies which founded Super Channel committed more money in May - Granada, Yorkshire, Television South and Anglia. The others saw their total stakes diluted to 20 per cent.

Despite the paltry price, yesterday's sale is worth nearly £1m to LWT because it can use the tax losses to shelter gains from the sale, for £5.4m, of its 67.8 per cent interest in Page & Moy, travel agent.

Mr Robert Devereux, managing director of Virgin Communications and chairman of Super Channel, said the move was an indication of the company's faith in the future of Super Channel, available in more than 12m homes across Europe through cable television networks.

Until recently Mr Brian Teiler, chairman of LWT, was also head of Super Channel, but decided not to take part in a substantial refinancing in May when the channel was pulled back from the brink of liquidation.

Costs have been running at more than £20m a year while advertising revenue has languished at around £5m.

Davy builds up US engineering side

By Andrew Taylor, Construction Correspondent

DAVY CORPORATION, the British construction and engineering group with worldwide sales approaching \$500m, has agreed to acquire the Pittsburgh-based construction engineering division of Dravo Corporation, US engineering and natural resources group.

Dravo announced at the end of last year that it was selling its engineering interests after the group had made losses during the first nine months of 1987.

The construction engineering division to be acquired by Davy specialises in designing and installing process plants for the iron, steel and aluminium industries.

The purchase agreed between Davy and Dravo will be determined by a valuation of the division's current and fixed assets. The price after taking into account certain costs and a profit-sharing deal is expected to be between \$3m to \$4m.

The division is expected to generate pre-tax profits of around \$2.5m (£377,000) in a full year. It will bring design, technical and technological, currently used by Dravo under licence, to complement Davy's existing metals process plant operations in the US. Sales of the division are thought to be running at between \$50m and \$60m a year.

Davy expects to see an increase in investment by US iron and steel companies over the next 18 months following a recent improvement in profitability by the sector.

At once after Dravo was negotiating to sell the engineering construction division to Jacobs Engineering of California but talks broke down earlier this year.

Mr John Keilman, senior vice-president of Davy McKee Corporation, Davy's US engineering, construction and project management company, said: "The combination of the Davy and Dravo teams makes a formidable engineering force with the ability to design, project manage and construct major projects both in the US and worldwide, principally in the metals industry." Mr William Roth, Dravo chairman, said the restructuring programme at Dravo should be completed by the end of this year. He said Dravo would start 1989 "as a lean, tightly focused and increasingly profitable natural resources company".

Mainmet boosts profits 42% to £460,000

By Clare Pearson

Mainmet Holdings, USM-quoted maker of energy conservation products, increased pre-tax profits from \$324,999 to £460,042 in the year to May 31.

Mr George Towler, chairman, said the taxable result would have been higher but for a £50,790 provision made in respect of feasibility studies into combined heat and power schemes for two consortia. Minerva Electronics, acquired in February, had contributed \$34,344 to pre-tax profits.

A one-for-three scrip issue is proposed by the directors, who recommend a final dividend of 1.5p, for a total of 2.25p (1.5p adjusted).

D C Gardner pays £2.4m for Cowan de Groot arm

By Clare Pearson

D C GARDNER, which provides consulting and training services for banks, has bought Chart Foulkes Lynch, an accountancy training firm, for £2.44m from Cowan de Groot, the toy importer.

Cowan also said yesterday it was selling Chart University Tutors, which provides degree courses for external London University LLB examinations, to its management for a cash payment of £127,000.

Cowan recently began a policy of selling its peripheral activities to concentrate on its core business of toy importing. This follows the resignation from the board at the end of April of Mr Philip Birch, chairman of Ward White, the retailing group, who had initiated the diversification programme.

The net proceeds of the two sales announced yesterday are £2m. Along with property sales, this brings the sum

Charles Barker shares jump 11% on bid talks

By Nikki Tait

SHARES in Charles Barker, advertising, public relations and recruitment group, jumped 20p to 178p yesterday as analysts suggested that it was involved in discussions which might lead to a recommended bid.

The company declined to comment further. It said another announcement would be made as soon as possible - hopefully this week.

Market speculation centred on WPP, the acquisitive advertising and marketing services group headed by Mr Martin Sorrell, as a possible purchaser. A cash price of about 180p a share was also widely mooted. This would put a 2.5m price tag on Barker.

WPP, taken in the Hill & Knowlton PR business. It also has extensive below-the-line activities into which Charles Barker Recruitment, the third

Charles Barker shares jump 11% on bid talks

largest company in the UK advertising recruitment sector, might fit.

Another suggestion among analysts was that Barker's executive search business, Norman Broadbent International, could be subject to a subsequent management buyout - possibly as part of an agreement to recommend an offer.

Charles Barker, which saw 1987 profits fall 26 per cent is currently seeking shareholder agreement for a deal whereby US advertising group, NW Ayer, could take a stake of 25 per cent (rising to 56 per cent in 1990) in Ayer Barker; its principal consumer advertising business. Included in this arrangement is a clause allowing Ayer to buy out Barker's interest in Ayer Barker if control of Barker itself changes. The meeting to approve the deal is on August 17.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Ashted Group \$	2.9	Oct 20	2	4	2
Gardner (DC) \$	1.1	Oct 3	-	-	-
Mainmet Hldgs \$	1.5	-	1.1	2.25	1.5
Sewille Gordon	1.274	-	0.98*	1.8	1.28*
TR Trustees Corp.	1.3	Sept 30	1.25	2.3	2.2*

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. \$USM stock. ‡Unquoted stock. †Third market. ‡Carries scrip alternative.

This announcement appears as a matter of record only

Management Buy-Out of

GLASS GLOVER GROUP

for £55,200,000

SYNDICATED DEBT FINANCING

Arranged and underwritten by

Standard Chartered Bank

Participants

Bank of Scotland
Banque Française du Commerce Extérieur (London Branch)
Barclays Bank PLC
Canadian Imperial Bank of Commerce
The Industrial Bank of Japan, Limited
National Westminster Bank PLC
Société Générale

Standard Chartered

July 1988

This announcement appears as a matter of record only.

PREMIER

11 BRANDS 11

Premier Brands Limited

has acquired

Pickerings Foods Limited

from

H. J. Heinz Company Limited

Funds Provided by

Continental Illinois National Bank and Trust Company of Chicago
Bank of Scotland
Canadian Imperial Bank of Commerce
National Westminster Bank PLC
Credit Suisse
The Sanwa Bank, Limited

Tender Panel Members

Allied Irish Banks, p.l.c.
Banque Française du Commerce Extérieur
Crédit Agricole, London Branch
Copenhagen Handelsbank A/S
The Dai-ichi Kangyo Bank, Limited
First Republicbank Dallas, N.A.
The Industrial Bank of Japan, Limited
Philadelphia National Limited
The Sanwa Bank, Limited

Banca Commerciale Italiana
Bank of Scotland
Canadian Imperial Bank of Commerce
Credit Suisse
Dresdner Bank Aktiengesellschaft
Girozentrale Vienna
National Westminster Bank PLC
Postipankki (U.K.) Limited
Société Générale

Continental Illinois National Bank and Trust Company of Chicago
Facility and Tender Panel Agent

Continental Bank

*Under license from Cadbury Schweppes plc **Under license from James Marshall (Glasgow) Limited ***Under license from Borden Health Foods Limited

Cadbury's CHOCOLATE BREAK **NewTime** **Kardomah** **PICKERINGS** **Ridgways** **Harley's** **Cadbury's MARVEL** **GLINGETTE**

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abnott Management Ltd, and Aegis Unit Trust, including their respective managers and details.

Table listing unit trusts under the heading 'Abnott Management Ltd' and 'Aegis Unit Trust', providing details on their assets and performance.

Table listing unit trusts under the heading 'Aegis Unit Trust' and 'Allchurches Unit Trust', detailing their investment strategies and managers.

Table listing unit trusts under the heading 'Allchurches Unit Trust' and 'Allied Unit Trusts', including information on their fund types and objectives.

Table listing unit trusts under the heading 'Allied Unit Trusts' and 'Allport Unit Trust', providing details on their asset management and performance.

Table listing unit trusts under the heading 'Allport Unit Trust' and 'Allport Unit Trust', detailing their investment focus and managers.

Table listing unit trusts under the heading 'Allport Unit Trust' and 'Allport Unit Trust', including their asset values and investment goals.

Table listing unit trusts under the heading 'Allport Unit Trust' and 'Allport Unit Trust', providing details on their fund structures.

Table listing unit trusts under the heading 'Allport Unit Trust' and 'Allport Unit Trust', including their asset management details.

I.G. INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD. Tel: 01-828 7233/5699 Reuters Code: IGIN, IGIO

JOTTER PAD: A grid for handwritten notes with columns for dates and times.

CROSSWORD No. 6,697 Set by TANTALUS

Crossword puzzle grid with numbers indicating the starting positions for the clues.

Crossword clues: 1 He would not be seen at such a gathering (8,5), 2 Virtuous as the minds of Chesterton's imkeepers (5,4), etc.

Table listing unit trusts under the heading 'Allport Unit Trust' and 'Allport Unit Trust', including their asset management details.

Table listing unit trusts under the heading 'Allport Unit Trust' and 'Allport Unit Trust', providing details on their fund structures.

Table listing unit trusts under the heading 'Allport Unit Trust' and 'Allport Unit Trust', including their asset management details.

Table listing unit trusts under the heading 'Allport Unit Trust' and 'Allport Unit Trust', providing details on their fund structures.

GUIDE TO UNIT TRUST PRICING

The data included under the Authorised section of the FT Unit Trust Information pages is being expanded to improve the service to readers and to conform with new legislation.

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FT UNIT TRUST INFORMATION SERVICE

Handwritten note: 10/10/88

INSURANCES

Main table containing financial data for various insurance and unit trust companies, including names, codes, and performance metrics.

OTHER UK UNIT TRUSTS

Table listing other UK unit trusts with their respective details.

FT UNIT TRUST INFORMATION SERVICE

Main table containing unit trust information with columns for company name, fund name, and numerical values. Includes sub-sections for 'MANAGEMENT SERVICES' and 'OFFSHORE AND OVERSEAS'.

FT UNI

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FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

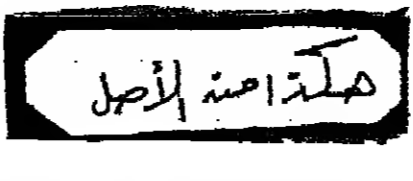


Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Price, and Yield.

Table of London Share Service, including sections for British Funds, Foreign Bonds & Rails, and Americans, with columns for Name, Price, and Yield.

OTHER OFFSHORE FUNDS

Table of Other Offshore Funds, listing various offshore unit trusts with columns for Name, Price, and Yield.

Table of Money Market Trust Funds and Money Market Bank Accounts, listing various financial products with columns for Name, Price, and Yield.

LONDON SHARE SERVICE

AMERICANS - Contd. Table with columns for Stock, Price, and other financial metrics.

CANADIANS. Table listing Canadian companies and their share prices.

BANKS, HP & LEASING

Table listing banks, hire purchase, and leasing companies.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit companies.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road construction companies.

BUILDING, TIMBER, ROADS Contd.

Continuation of Building, Timber, Roads table.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies.

DRAPERY AND STORES

Table listing drapery and store companies.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road construction companies.

ELECTRICALS

Table listing electrical companies.

ENGINEERING - Contd.

Continuation of Engineering table.

FOOD, GROCERIES, ETC

Table listing food, grocery, and other companies.

ENGINEERING

Table listing engineering companies.

ENGINEERING - Contd.

Continuation of Engineering table.

HOTELS AND CATERERS

Table listing hotels and caterers.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies.

INDUSTRIALS (Miscel.) - Contd.

Continuation of Industrial (Miscel.) table.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies.

INDUSTRIALS (Miscel.) - Contd.

Continuation of Industrial (Miscel.) table.

INSURANCES

Table listing insurance companies.

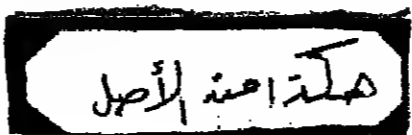
INSURANCES

Table listing insurance companies.

LEISURE

Table listing leisure companies.

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LONDON SHARE SERVICE

LEISURE - Contd

Table of stock prices for Leisure sector, including companies like British Skyways, British Airways, and others.

PAPER, PRINTING, ADVERTISING - Contd

Table of stock prices for Paper, Printing, Advertising sector, including companies like News International, Newsprint, and others.

TEXTILES - Contd

Table of stock prices for Textiles sector, including companies like British Textiles, and others.

TRUSTS, FINANCE, LAND - Contd

Table of stock prices for Trusts, Finance, Land sector, including companies like British Land, and others.

OIL AND GAS - Contd

Table of stock prices for Oil and Gas sector, including companies like British Petroleum, and others.

MINES - Contd

Table of stock prices for Mines sector, including companies like British Coal, and others.

MOTORS, AIRCRAFT TRADES

Table of stock prices for Motors, Aircraft Trades sector, including companies like British Aerospace, and others.

PROPERTY

Table of stock prices for Property sector, including companies like British Land, and others.

TOBACCO

Table of stock prices for Tobacco sector, including companies like British American Tobacco.

TRUSTS, FINANCE, LAND

Table of stock prices for Trusts, Finance, Land sector, including companies like British Land, and others.

OVERSEAS TRADERS

Table of stock prices for Overseas Traders sector, including companies like British Overseas Airways, and others.

PLANTATIONS

Table of stock prices for Plantations sector, including companies like British Plantations, and others.

MISCELLANEOUS

Table of stock prices for Miscellaneous sector, including companies like British Airways, and others.

COMMERCIAL VEHICLES

Table of stock prices for Commercial Vehicles sector, including companies like British Leyland, and others.

COMPONENTS

Table of stock prices for Components sector, including companies like British Aerospace, and others.

FINANCE, LAND, ETC

Table of stock prices for Finance, Land, Etc sector, including companies like British Land, and others.

FINANCE, LAND, ETC

Table of stock prices for Finance, Land, Etc sector, including companies like British Land, and others.

MINES

Table of stock prices for Mines sector, including companies like British Coal, and others.

THIRD MARKET

Table of stock prices for Third Market sector, including companies like British Airways, and others.

NEWSPAPERS, PUBLISHERS

Table of stock prices for Newspapers, Publishers sector, including companies like News International, and others.

SHIPPING

Table of stock prices for Shipping sector, including companies like British Skyways, and others.

SHOES AND LEATHER

Table of stock prices for Shoes and Leather sector, including companies like British Leather, and others.

OIL AND GAS

Table of stock prices for Oil and Gas sector, including companies like British Petroleum, and others.

FINANCE

Table of stock prices for Finance sector, including companies like British Land, and others.

DIAMOND AND PLATINUM

Table of stock prices for Diamond and Platinum sector, including companies like British Diamonds, and others.

PAPER, PRINTING, ADVERTISING

Table of stock prices for Paper, Printing, Advertising sector, including companies like News International, and others.

SOUTH AFRICANS

Table of stock prices for South Africans sector, including companies like Anglo American, and others.

TEXTILES

Table of stock prices for Textiles sector, including companies like British Textiles, and others.

OIL AND GAS

Table of stock prices for Oil and Gas sector, including companies like British Petroleum, and others.

FINANCE

Table of stock prices for Finance sector, including companies like British Land, and others.

AUSTRALIANS

Table of stock prices for Australians sector, including companies like Anglo American, and others.

Regional and Irish Stocks, Traditional Options, and other market information.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of FT-Actuaries Share Indices for Monday August 1 1988. Columns include Index No., Day's Change, Est. Earnings, Gross Div. Yield, Est. P/E Ratio, and Index No. for various equity groups like CAPTIAL GOODS, BUILDING MATERIALS, etc.

Table of Fixed Interest rates and Average Gross Redemption Yields. Columns include Price Indices, Day's Change, and Yields for various maturities like 5 years, 10 years, etc.

Footnote regarding FT-SE 100 Share Index and other market data.

LONDON TRADED OPTIONS

Large table of London Traded Options with columns for Option, Calls, and Puts, listing various stock options and their prices.

RISES AND FALLS YESTERDAY

Table showing rises and falls in various market indices and sectors like British Funds, Corporate Bonds, etc.

LONDON RECENT ISSUES

Table of London Recent Issues listing various companies and their share prices.

FIXED INTEREST STOCKS

Table of Fixed Interest Stocks listing various government and corporate bonds.

RIGHTS OFFERS

Table of Rights Offers listing various companies offering shares.

BSN: OPERATIONS FOR THE FIRST HALF OF 1988. Includes sales figures by division and estimated consolidated net income.

PRINTING TECHNOLOGY. The Financial Times proposes to publish this survey on 5th September. Contact: CLARE REED.

Company Notices. 2nd Notice to the Holders of The Kyren Bank Ltd. U.S.\$100,000,000 Convertible Bonds.

EAG Kugelfischer Investments For the Future. Advertisement for EAG Kugelfischer, featuring a large image of a building and text about innovation and productivity.

Notice to Holders of The Long-Term Credit Bank of Japan, Limited (the "Bank") 1 1/4% Convertible Bonds Due 2002 (the "Bonds").

IL COMITATO PER L'INTERVENTO NELLA S.I.R. informs. 1. that on 8 July 1988, a formal offer has been submitted to purchase all industrial activities of the group.

Continuation of the EAG Kugelfischer advertisement, showing a large image of a building and text about precision and success.

LONDON STOCK EXCHANGE

Speculative stocks flavour equities

NERVOUSNESS over UK base rates continues to recede in the London securities markets yesterday in the face of a steady pound. Equities turned in another firm, if cautious, performance, with the international leaders taking their cue from Wall Street, and speculative situations again enlivened the consumer sectors. Government bonds, however, saw very little activity as the market awaited details of the next auction of near-dated Treasury stock.

At the close, the FT-SE Index showed a gain of 8.6 at 1862.2, against the DM. However, a rise of 20p in Glaxo reflected turnover of a mere 385,000 shares. Equities opened firmly and tried at first to extend their early gains. The FT-SE 100

stocks were restrained by the bank sector, where three of the big names went ex-dividend as last week's higher payments were taken aboard. At the close, the FT-SE Index showed a gain of 8.6 at 1862.2, against the DM. However, a rise of 20p in Glaxo reflected turnover of a mere 385,000 shares.

inflation will edge up in the short term. At Prudential-Bache Capital Refunding, Mr Bill Smith told clients that the equity market now faces an inflation spiral similar to that in late 1984. Pointing out that the market was little affected by the 1984 inflation uptick, he suggests that the reaction will be similar this time.

Shares in the major leading banks fell back as the sector analysts gave their considered judgements on last week's half time reports. The Government bond sector saw very little business, and prices ended virtually unchanged on the session. An attempt was made to edge higher at first, when the pound showed signs of renewed strength.

Abbey Life in the frame

HOPEFUL of a bid for Abbey Life, the unit-trust linked life company, flared up again yesterday as speculators, who had been looking for a bid from Continental Europe, turned their eyes nearer to home. The shares closed 11 up at 383p, but had bounced as high as 341p earlier.

view of the expected turnaround at British Celanese. County NatWest WoodMat is forecasting \$77m compared with \$90m for the similar period last year, but points out that the July traffic figures will be announced about a week after the first-quarter profits and expects these to show the continued rehabilitation of BCal. County is also impressed by the speed at which the BCal merger has been implemented and believes that the group's relative rating is too low.

Friday that it could find no justification for the large rise in its share price that day. Thorn EMI rose 5 to 663p on hopes that a buyer has been lined up for Immos, Cables & Wireless closed 9 better at 386p on good news about Marconi, while Brent last 4 to 91p after the shares went ex-dividend.

more in a limited market to a year's peak of 388p, while recovery hopes lifted Lister 6 to 112p. The debut of Rit Capital Partners (RIT), a new company formed when J Rothschild (JRE) put 250m of its assets into a new investment trust at no cost to shareholders, gave a splash of colour to the sector.

Shares in the major leading banks fell back as the sector analysts gave their considered judgements on last week's half time reports. The Government bond sector saw very little business, and prices ended virtually unchanged on the session.

RHM off the boil

Bank's Hovis McDougall rose firmly in early trading as dealers reacted to market rumours - soon proved unfounded - that the shares were about to be suspended pending a counter-bid. RHM settled 4 higher at 466p, after 470p, in good two-way business as 8.4m shares traded.

British Gas were one of the few Alpha stocks to move against the run of play. Quoted as the net-dividend payment of 5 1/2p, the shares continued to rate highly with private investors and earned top honours in the day's activity lists, recording turnover of 7.6m. But in the aftermath of Friday's heavy business when the income funds and traders alike sought aggressively for the dividend, the price eased back to 381p.

Reports that the UK Motor trade is expecting record sales for the third successive year - the car registration prefix changed yesterday to "F" - underpinned the sector, without arousing too much extra activity. Lucas Industries rose 9 to 550p and Lex Service improved further to 413p, but only T.Cowie made any significant headway among Distributors.

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BA await figures

British Airways rose briskly to 158p, up 5, in anticipation of Thursday's first-quarter figures. Some 3.8m shares changed hands. Most analysts are advocating near-term caution, but currently rate the shares as cheap, in

view of the expected turnaround at British Celanese. County NatWest WoodMat is forecasting \$77m compared with \$90m for the similar period last year, but points out that the July traffic figures will be announced about a week after the first-quarter profits and expects these to show the continued rehabilitation of BCal.

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Shares in the major leading banks fell back as the sector analysts gave their considered judgements on last week's half time reports. The Government bond sector saw very little business, and prices ended virtually unchanged on the session.

Managing director at Scottish & Newcastle

Mr Gavin B. Reed is to become group managing director of operations at SCOTTISH & NEWCASTLE BREWERIES from September 12. He will be responsible for the day-to-day running of all operating companies. Educated at Eton and Trinity College, Cambridge, Mr Reed, who is 53, joined Newcastle Breweries in 1968. His career in the group included a spell in the hotel division, including a period as managing director of The Hotel, of which he is still a board member.

Mr Philip Bushill-Matthews

Mr Philip Bushill-Matthews, sales and distribution director of BIRDS EYE WALL'S, has joined the board of W & A HERRIS & JONES, becoming managing director of the Craigmillar division in succession to Mr Eric Wright who will be retiring in November. Mr Tony Pearce, sales director (Bachelors range) of Brooke Bond Bachelors, has been appointed sales director of Birds Eye Wall's. Mr Jim Reilly, commercial director of Birds Eye Wall's, in addition becomes responsible for distribution.

Mr David B.B. Smith

Mr David B.B. Smith, chief executive of the Dumfries Building Society, has been appointed to the board of the SOUTH FIFE ENTERPRISE TRUST. Mr BOLTON READY, an industrial doors maker in Bolton, has appointed Mr Stephen Penny as sales and marketing director. He was sales manager with Renault Power Transmission.

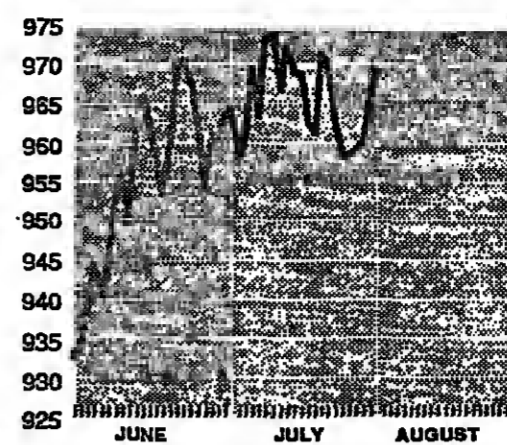
Mr Keith Oates

Mr Keith Oates, finance director of Marks and Spencer, has been appointed a BBC Governor. Mr Stewart W. Urry has been appointed executive chairman of SHOP & STORE DEVELOPMENTS and its associated companies. Mr BOYCH PROPERTY GROUP has appointed Mr S. Ferraris as a director. He was a director of the Hammarson Property

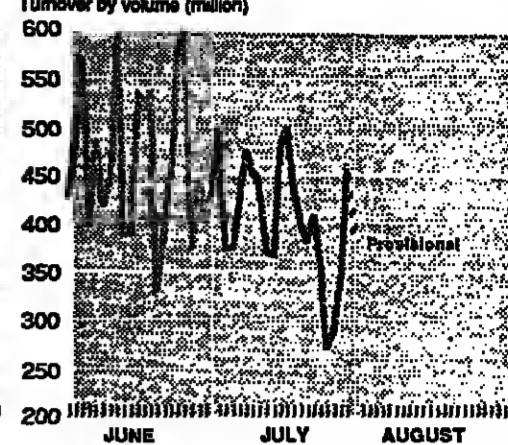
Mr Paul Byrne

Mr Paul Byrne has been appointed sales and marketing director of GOODMANS, part of TGI. He formerly managed the Marantz UK subsidiary.

FT-A ALL-SHARE INDEX



SEAQ SHARES TRADED



FINANCIAL TIMES STOCK INDICES

Table with columns for Stock Index, August, July, June, May, April, March, February, January, 1988, 1987, 1986, 1985, 1984, 1983, 1982, 1981, 1980. Rows include Government Secs, Fixed Interest, Ordinary, Gold Mines, Ord. Div. Yield, Earning Yld. % (full), P/E Ratio (Net), SEAO Bargains (50m), Equity Turnover (2m), Equity Bargains, Shares Traded (m), Ordinary Shares Index, Hourly changes, and Day's High/Low.

DAY'S HIGH 1499.3 DAY'S LOW 1493.7. Basis 100 Govt. Secs 15/10/25, Fixed Int. 1928, Ordinary 17/25, Gold Mines 12/9/5, SE Activity 1874, * Nil 10/50.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume in major stocks. Columns include Stock, Volume, Change, Day's Price Change, Stock, Volume, Change, Day's Price Change, Stock, Volume, Change, Day's Price Change, Stock, Volume, Change, Day's Price Change.

NEW HIGHS AND LOWS FOR 1988

Table listing new highs and lows for 1988. Columns include Stock, Price, Change, Stock, Price, Change, Stock, Price, Change, Stock, Price, Change.

Advertisement for Jones Interactable, featuring a large graphic of a globe and text: '\$150,000,000', '13% Subordinated Debentures Due 2000', 'Prudential-Bache Capital Funding', 'Shearson Lehman Hutton Inc.', 'Dean Witter Capital Markets', 'The Kingdom of Belgium', 'U.S. \$75,000,000 Notes Due 1991'.

Thistle Hotels chairman

Mr I.G. Hannah is to become chairman of Thistle Hotels, a subsidiary, from September 12, in addition to his post as managing director. He succeeds Dr B.C. Kilkenny who is retiring.

Mr Stewart W. Urry

Mr Stewart W. Urry has been appointed executive chairman of SHOP & STORE DEVELOPMENTS and its associated companies.

Mr Keith Oates

Mr Keith Oates, finance director of Marks and Spencer, has been appointed a BBC Governor.

Mr Paul Byrne

Mr Paul Byrne has been appointed sales and marketing director of GOODMANS, part of TGI.

COMMODITIES AND AGRICULTURE

Outokumpu clings to Chilean copper deal

By Olli Virtanen in Helsinki

OUTOKUMPU, the Finnish mining and metallurgical group, is clinging to its copper concentrate supply agreement with Chile's Escondida project in spite of growing political pressure at home.

The deal falls through. Outokumpu will have to cut drastically its smelting and other copper-related businesses, which account for almost 80 per cent of the group's net sales.

Meanwhile, Outokumpu has evaluated the consequences it will face if it is forced to call off the supply agreement signed in New York a week ago.

As an integrated copper group, with businesses ranging from copper mines and smelters to copper products and copper-related engineering, the whole chain of production could change drastically.

Peruvian miners' strike spreading

By Barbara Durr in Lima

PERU'S TWO-week-old miners' strike is spreading and more deliveries may be affected. Southern Peru Copper Corporation, the country's largest copper operation, is considering a declaration of force majeure after its smelter workers at Ho joined the strike last week.

An official of the National Federation of Mining, Metallurgical and Steel Workers said that another silver mine, the Carolina, in the north central department of Cajamarca, has joined the strike.

The Federation estimates that the strike is costing Peru \$3m a day in export income.

Centromin, the largest state-owned mining complex, declared force majeure on all its silver deliveries last week. The miners are adamantly sticking to their demands, which include a substantial pay rise, a six-hour working day, and retirement at 50 years of age or at 20 years' service.

According to the Geophysical and Metallurgical Institute and the Occupational Safety Institute, Peruvian miners have a life expectancy of 40 years and some 80 per cent suffer from lung diseases.

Single market may harm Danish pigmeat exports

By Hilary Barnes in Copenhagen

DENMARK'S LUCRATIVE pigmeat exports to Japan and the US may be threatened by the completion of the EC's internal market in 1992, according to the Danish Slaughterhouse Association.

The pigmeat producers fear that when restrictions on imports of pigmeat to Denmark from other European countries are lifted in 1992, Denmark will no longer be able to maintain its disease-free classification.

The producers say that it will no longer be possible to guarantee that meat exported from Denmark was actually produced in Denmark and not in a country where foot and mouth disease still occurs.

Palm oil output higher

By Wong Sulong in Kuala Lumpur

MALAYSIA'S production of crude palm oil for the first half of this year rose by 14 per cent to 2.12m tonnes compared with the same period last year, according to government figures.

The Statistics Department said production for the month of June increased by 33,900 tonnes or 21 per cent to 478,000 tonnes from the previous month. The latest figure will also be 22 per cent up on production in June last year.

Production of palm kernel for the first half was 620,000 tonnes, compared with 535,000 tonnes previously - an increase of 16 per cent.

EC farm incomes down 3.5%, says report

By Tim Dickson in Brussels

FARMERS WHO grumbled that 1987 was a bad year will find ample support for their case in new figures published yesterday by the European Commission.

A report produced by Eurostat, the Statistical Office of the European Communities, shows that agricultural incomes last year fell on average a real 3.5 per cent below the level of 1986 and are thus virtually back to the level reached at the beginning of the decade.

Enrostat cites three indicators to measure income trends, but places most reliance on so-called net value added at factor cost per annual work unit - computed from the value of final agricultural production, less intermediate consumption, depreciation and production taxes, plus subsidies - this covers only income from farming activity, not other sources of income of those employed in agriculture.

The decline, according to the Commission, is due largely to an average nominal fall in producer prices in the Community of 1.2 per cent, the major factor being a drop in prices for animal production of 3 per cent.

The improvement in Ireland is attributed mainly due to higher production, prices but the sole factor in Spain was an increase in production volume last year.

The survey figures, which exclude Portugal, show that agricultural income in the Community in 1987 was little different in real terms from the average level between 1979 and 1981.

High profits from well-fed grain

GARY KOEHN farms 2,000 acres of essentially desert land on the high plains of northern Texas. The land lies a little over 5,000 feet above sea level and is 20 miles south of the Oklahoma panhandle and 10 miles east of the New Mexico state line.



By David Richardson

It seems, at first sight, a rather inhospitable place and hardly ideal for arable farming. But every inch of the land, which Mr Koehn crops and irrigates and that is why this year, in contrast to many of his fellow American farmers further north, he expects to enjoy pretty good profits.

His cropped acreage is half hard winter wheat and half maize. In order to qualify for the US Government's farm aid programme on the crops he does grow he also has left the minimum requirement of land for each acre.

He reckons he would have done even better had it not been for disease he calls root rot and we call take-all, and attacks by insects called Russian aphids, which are now threatening the whole of the high plains area and causing a great deal of concern.

He is even more optimistic, however, about his maize. Normal he expects to harvest around 175 bushels per acre from his irrigated crops but this year, because it has been cooler than usual in his particular area and summer rainfall has been five to six inches above average, he is hoping the yield will top 200 bushels an acre.

That 1988 is going to be a very good and profitable year. For while dry-land farmers further north have been writing wheat crops off in worst cases and harvesting from four to 10 bushels per acre where they had some rain Mr Koehn has averaged some 36 bushels (about one tonne) an acre over the whole farm, and on his best irrigated fields up to 54 bushels an acre.

UK food body welcomes funding change

By Bridget Bloom, agriculture correspondent

THE BRITISH Government's decision to change the funding arrangements for Food for Britain means that the export promotion organisation will in future be "talking business rather than survival", Mr Walter Goldsmith, FFB chairman, said at the weekend.

Last week, Mr John MacGregor, the Minister of Agriculture, announced alterations to the Government's funding of FFB which effectively means that it will pay the organisation's administrative and establishment costs.

"This means we can plan for the future with a new confidence," Mr Goldsmith said. Relations with industry would thereby be put on a much better footing, since they would now be "exclusively about the promotion of British food and drink".

FFB was founded five years ago on the initiative of the then Minister of Agriculture, Mr Peter Walker, to boost domestic consumption and exports of British food. It has always been much more lightly funded than its more successful overseas counterparts while it has been criticised on the grounds that the interests of the food and drink industries are too disparate to be coped with by a single umbrella organisation.

When Mr Goldsmith took over as chairman a year ago, he initially asked for a £30m budget. He has since begun a drive to increase industry's contribution, which this year amounts to some £3m.

However, in response to the Government's move on funding, Mr Goldsmith said that FFB would be able to raise extra promotional funds from industry, though increasing funding would come from its own commercially-oriented efforts.

Exporters to be compensated for payment delays

By David Blackwell

UK EXPORTERS of agricultural commodities are to be paid millions of pounds in compensation for delays in receiving export-refund payments due under the EC's Common Agricultural Policy rules.

Mr Alan Chandler, the secretary-general of the UK Provision Trade Federation, estimates that between £1m and £2m compensation will be paid this year to the dairy product and pigment sectors alone.

Delays in the payments have arisen, mainly because of problems with a new computer at the Intervention Board for Agricultural Produce (IBAP), which administers CAP rules in Britain.

The IBAP, which has held talks on the scheme with trade federations, is expected to make the first payments in the autumn. Compensation will be based on the base rate plus one per cent of the value of the exports.

Mr Chandler said the compensation "will go a long way to meet traders' loss of profit".

WORLD COMMODITIES PRICES

Table with columns: Commodity, Unit, Price. Includes items like Rubber, Tin, and Copper.

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WORLD STOCK MARKETS

Table of world stock markets including sections for Australia, Canada, France, Germany, Italy, Japan, Netherlands, New Zealand, Norway, Singapore, South Africa, Sweden, Switzerland, and Taiwan. Each section lists various stocks with their prices and changes.

OVER-THE-COUNTER

Table of over-the-counter stocks, including Nasdaq national market and other market prices. It lists various stocks with their bid, ask, and last trade prices.

Table of stock indices for various countries including Australia, Canada, France, Germany, Italy, Japan, Netherlands, New Zealand, Norway, Singapore, South Africa, Sweden, Switzerland, and Taiwan. It shows index values and percentage changes.

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TOKYO - Most Active Stocks Monday 1 August 1988. Table listing top-performing stocks in Tokyo with their closing prices and changes.

Table of stock indices for New York, Dow Jones, and other regional indices. It includes data for various market baskets and their performance.

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Table of New York Active Stocks, listing various individual stocks and their current market prices.

Bank of America logo and branding. Includes the text 'Bank of America' and 'Bank of America International Limited'.

COMPO

3pm prices August 1

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table containing stock prices with columns for stock names, prices, and changes. Includes sub-sections for '3pm prices August 1' and 'Continued on Page 33'.

Continued on Page 33

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NYSE COMPOSITE PRICES

Table of NYSE Composite Prices listing various stocks with columns for stock name, price, and change.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices listing various stocks with columns for stock name, price, and change.

OVER-THE-COUNTER

Table of Over-the-Counter prices listing various stocks with columns for stock name, price, and change.

Advertisement for Financial Times newspaper, featuring the headline 'Travelling by air on business' and contact information for Paris and Geneva.

Advertisement for Financial Times newspaper, featuring the headline 'Have your F.T. hand delivered in France' and contact information for Paris.

Advertisement for Financial Times newspaper, featuring the headline 'Have your F.T. hand delivered every morning in Switzerland' and contact information for Geneva.

AMERICA

Dow subdued pending release of US figures

Wall Street

MOVEMENTS in stock and bond markets were subdued yesterday, in a week which sees the announcement of details of the Treasury's quarterly refunding and the latest unemployment figures, writes Janet Bush in New York.

Trading in US bonds was quiet yesterday and movements limited. Bonds stood up to 1/2 point higher at mid-session yesterday, and the Treasury's benchmark long bond was quoted 1/2 point higher for a yield of 9.17 per cent.

The only economic news yesterday was a report by US purchasing managers which showed that the economy continued to expand strongly in July. Mr Robert Bretz, chairman of the group's business survey committee, said: "The vigorous increase in new orders, undoubtedly fuelled by the surge in export orders, is impressive and signals continued robust economic growth for the balance of the third quarter."

The report had little impact on bonds or equities. Friday's unemployment figures are for July and are expected to show an unchanged unemployment rate of 5.3 per cent and a rise of 250,000 to 275,000 in the non-farm payroll.

The latest of many rumours surrounding the company centres on Pearson, owner of the Financial Times, as a possible purchaser. McGraw-Hill's share price jumped another 2 1/2% to 267 1/2 at mid-session yesterday.

EUROPE

Broad gains produce new highs in very thin volume

London

INTERNATIONAL stocks gained ground in response to Wall Street's strength on Friday, but saw some downward pressure at New York's subdued opening yesterday.

Paris

Amersbach International jumped on continued bid speculation, as did several consumer stocks. In chemicals, Glaxo and ICI were both sought in spite of the firm's poor performance.

company Ctr up L56 at L588, hitting L5,720 after hours. FRANKFURT had another deadly quiet day, with a few shares moving quite sharply on one or two orders.

ASIA PACIFIC

Late selling leaves Nikkei short of record

Tokyo

DEMAND for large-capital stocks and high-technology issues gathered momentum in Tokyo yesterday, with share prices touching a new high before losing ground towards the close.

Large-capital stocks performed strongly in early trading. Nippon Steel topped the active list with 104.8m shares changing hands. The issue rose Y12 to Y784 at one stage, but came under profit-taking pressure to end Y8 lower at Y764.

Singapore

The cash market turned easier as the September contract declined on the futures market towards the close. The yield on the benchmark 5.0 per cent government bond, maturing in December 1997, dipped to 4.880 per cent briefly, but ended at 4.915 per cent, unchanged from the previous week's close.

Turnover rose to 66.9m shares from 65m on Friday, with trading boosted also by previous gains in New York, a strong Tokyo and good corporate results. The session was extended by an hour because of a breakdown in the new computerised trading system.

In London, Japanese shares edged down, with the ISE/Nikkei 50 index off 2.05 at 1,901.91. In Tokyo, the session started strongly with dealers and individuals actively seeking large-capital stocks, high-technology issues, carmakers and financials.

High-technology stocks fell back at the close. Toshiba shed Y30 to Y1,170, Hitachi Y20 to Y2,010 and Mitsubishi Electric Y5 to Y900.

Mitsui Real Estate surged, Y90 to Y2,300, Tokai Land Y51 to Y1,030 and Mitsubishi Estate Y50 to Y2,500. Daiwa House ended Y90 higher at Y2,000. Speculative issue Keisel Electric rose and finished Y180 higher at Y1,850.

Leading spindle and machine manufacturer Nihon Spindle jumped Y90 to Y1,000 and Kinki Nippon Railway rose Y40 to Y1,100. Torishima Pump dropped Y70 to Y1,300.

New indices on emerging markets

THE WORLD'S emerging stock markets are attracting growing interest but have not been easy to track and compare in the past because local indices are calculated in different ways, writes Alison Matland.

Many of these markets - for example, South Korea and Taiwan - are not yet open to direct portfolio investment by foreigners, but specialist country funds are increasingly being set up to channel outside capital into developing countries and the trend in most cases is to reduce restrictions.

The price indices show changes in prices, adjusted for stock splits and other alterations to capitalisation that affect price per share.

The total return indices accommodate the same changes, as well as cash dividends and gains implicit in rights issues that are made below prevailing market prices.

Table with columns: MARKET, Price (June '88, % Change on Dec '87), % Change on Dec '87, June '88, % Change on May '88, % Change on Dec '87 '88, Total return (June '88, % Change on May '88, % Change on Dec '87 '88).

FT-ACTUARIES WORLD INDICES

Table with columns: NATIONAL AND REGIONAL MARKETS, US Dollar Index, % Change, Pound Sterling Index, Local Currency Index, Gross Div. Yield, US Dollar Index, Pound Sterling Index, Local Currency Index, 1988 High, 1988 Low, Year ago (approx).

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